

**SCHOOL DISTRICT OF THE
TOWN OF GUTTENBERG
COUNTY OF HUDSON, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

**School District
of**

Town of Guttenberg

**TOWN OF GUTTENBERG BOARD OF EDUCATION
Guttenberg, New Jersey**

**Comprehensive Annual Financial Report
Year Ended June 30, 2014**

Comprehensive Annual Financial Report

of the

**TOWN OF GUTTENBERG
BOARD OF EDUCATION
Guttenberg, New Jersey**

Year Ended June 30, 2014

Prepared by

**Jolene Mantineo
Board Secretary/Business Administrator**

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INTRODUCTORY SECTION

BOARD OF EDUCATION

ANNA L. KLEIN SCHOOL

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Office of the Business Administrator
JOLENE MANTINEO

Telephone: (201) 861-3100
Fax: (201) 861-7024

October 31, 2014

Honorable President and
Members of the Board of Education
Guttenberg Board of Education

Dear Board Members:

The comprehensive annual report of the Guttenberg Board of Education (Board) for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of operations of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

The comprehensive annual report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Board organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management discussion and analysis, the Basic financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and finding and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The Guttenberg Board of Education is an independent reporting within the criteria adopted by GASB as established by NCGA Statement No. 3. All funds and account groups of the Board are included in this report. The Guttenberg Board of Education and its school constitute the Board's reporting entity. The Board provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for the handicapped youngsters. The Board completed the 2013-2014 fiscal year with an enrollment of 954 students, which are 11 below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Enrollment Student Enrollment</u>	<u>Percentage Change</u>
2013-2014	954	{1.13%}
2012-2013	965	{ 1.5%}
2011-2012	980	.72%
2010-2011	973	{.71%}
2009-2010	980	{.2 %}
2008-2009	982	2.4%

ECONOMIC CONDITION AND OUTLOOK: The Town of Guttenberg area is experiencing an unstable economy, which is expected to improve or grow at a very slow pace. The job market and real estate industries are also at an all-time low.

MAJOR INITIATIVES: The variety of educational programs offered at the Anna L. Klein School focuses on strong preparation for a large high school. The programs in the school are comprehensively designed to meet the abilities and interest of all students, and include regular, enriched and remedial courses at all levels, and advanced placement courses for academically talented students in grades 3 through 8.

INTERNAL ACCOUNTING CONTROLS: Management of the Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgements made by management.

As a recipient of federal and state financial assistance, the Board also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the Board management. As part of the Board's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the Board has complied with applicable laws and regulations.

BUDGETARY CONTROLS: In addition to internal accounting controls, the Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied on the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general funds, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line basis. Open encumbrances at year-end are either canceled or are included as reservations of fund balance in the subsequent year are reported as reservations of fund balance at June 30, 2014.

CASH MANAGEMENT: The investment policy of the Board is guided in large part by the state stature as detailed in "Notes to the Financial Statements", Note 2. The Board has adopted a cash management plan which requires it to deposit public funds in either public depositories protected from loss under the provisions of the Government Unit Deposit Protection Act ('GUDPA') or in the State of New Jersey cash management fund. GUDPA was enacted in 1970 to protect governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act. However, the State of New Jersey cash management fund is allowable by law for deposit of public funds.

RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, comprehensive automobile liability, hazard and theft insurance on property and contents, and Fidelity bonds.

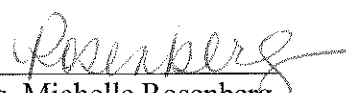
OTHER INFORMATION:

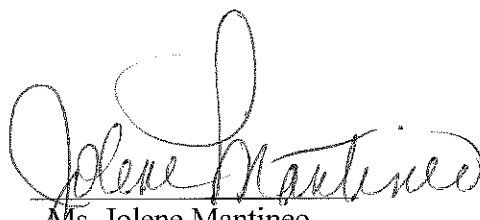
Independent Audit- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo and Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB circular A-133 and State Office of management and Budget Circular Letter 04-04. The auditor's report on the Basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

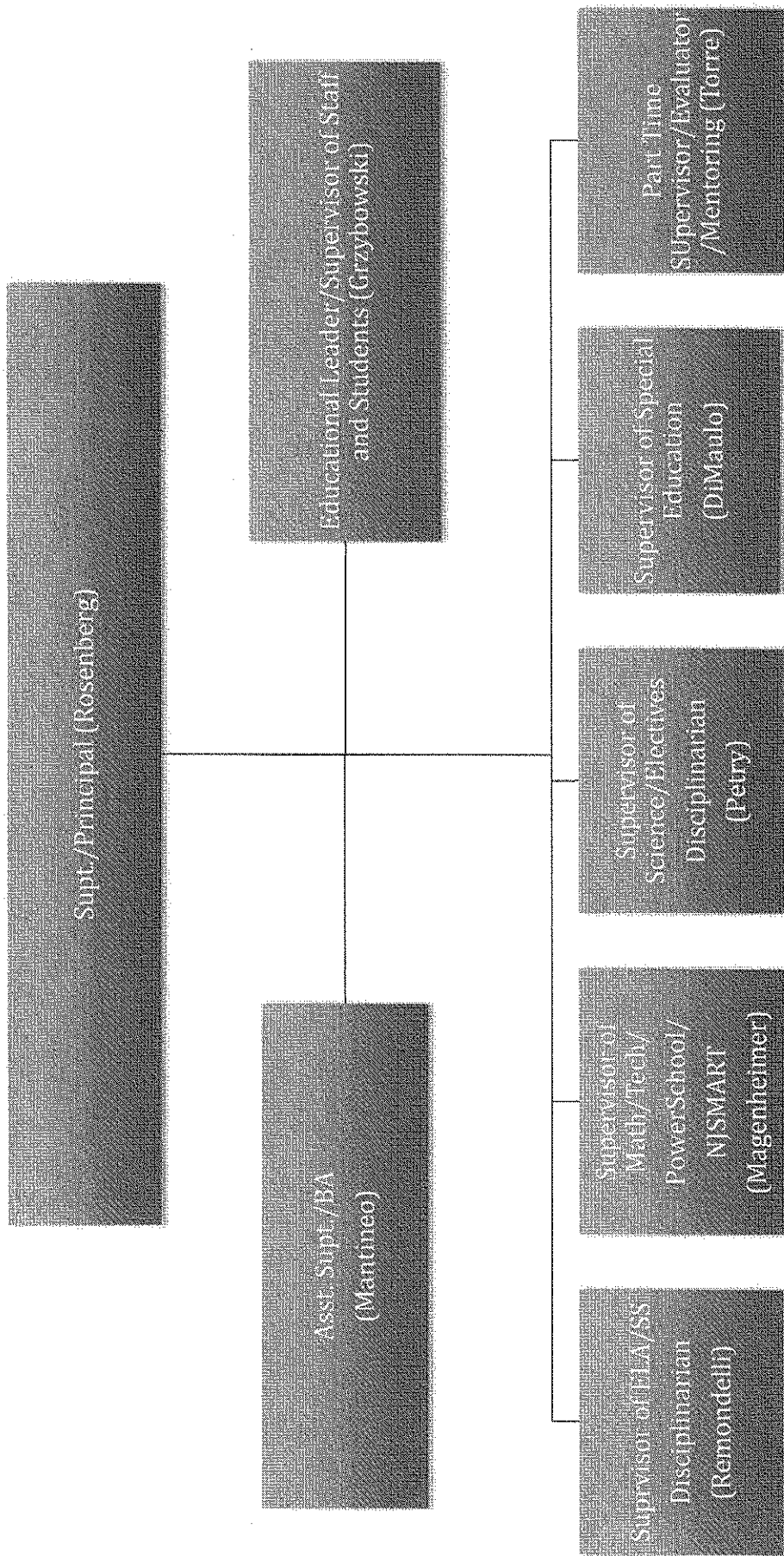
ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Guttenberg Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted:


Ms. Michelle Rosenberg
Superintendent


Ms. Jolene Mantineo
Business Administrator/Board Secretary



BOARD OF EDUCATION
GUTTENBERG, NEW JERSEY

ROSTER OF OFFICIALS
January 8, 2014

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERMS EXPIRES</u>
Rebecca Vazquez-President	2016
Marisol Acosta	2017
Michael Baruch-Vice President	2014
Rocio Day	2016
Delores Loppe	2014
Gonzalo E. Perez	2014
Elsa Schwarz	2017
Sari F. Zukerman	2017
Jeanne Sorensen	2016

OTHER OFFICIALS

Michelle Rosenberg	Superintendent
Jolene Mantineo	Business Administrator/Board Secretary
John L. Schettino, Esq.	Board Attorney

GUTTENBERG BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2014

Attorney

JOHN SCHETTINO
Board Attorney
800 Main Street
Suite 101
Hackensack, New Jersey 07601

District Auditor

STEVEN D. WIELKOTZ, C.P.A.
Ferraioli, Wielkatz, Cerullo & Cuva P.A.
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Board Accountant

WILLIAM KATCHEN
William Katchen, CPA
596 Anderson Avenue
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Cliffside Park, NJ 07010

Architect

DI CARA RUBINO
30 Galesi Drive (west wing)
Wayne, NJ 07470

FINANCIAL SECTION

Ferraioli, Wielkott, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkott, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
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Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Town of Guttenberg School District
County of Hudson, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Guttenberg School District, in the County of Hudson, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and
Members of the Board of Education
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Guttenberg Board of Education, in the County of Hudson, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable President and
Members of the Board of Education
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Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Guttenberg Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2014 on our consideration of the Town of Guttenberg Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to

Honorable President and
Members of the Board of Education
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describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Guttenberg Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

October 31, 2014

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

The discussion and analysis of the Town of Guttenberg Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased by \$507,336. Net position of governmental activities increased \$480,989 while net position of business-type activities increased by \$26,347.
- General revenues accounted for \$16,748,849 in revenue or 91 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,633,286 or 9 percent of total revenues of \$18,382,135.
- The School District had \$17,893,411 in expenses related to governmental and business-type activities; only \$1,633,286 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$16,748,849 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (government-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Town of Guttenberg Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)

USING THIS ANNUAL REPORT, (continued)

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service and School Age Child Care Funds are reported as business activities.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Guttenberg Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

**TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The Town of Guttenberg Board of Education maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue and debt service funds, which are both considered to be major funds.

The Town of Guttenberg Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Town of Guttenberg Board of Education uses proprietary funds to account for its food service and school age child care programs as well as its internal service fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position's were \$4,506,864 at June 30, 2014 and \$3,999,528 at June 30, 2013. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2014 compared to 2013 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets						
Current and Other Assets	3,613,801	3,199,463	175,431	119,994	3,789,232	3,319,457
Capital Assets	<u>2,815,568</u>	<u>2,860,957</u>	<u>21,428</u>	<u>27,561</u>	<u>2,836,996</u>	<u>2,888,518</u>
Total Assets	<u>6,429,369</u>	<u>6,060,420</u>	<u>196,859</u>	<u>147,555</u>	<u>6,626,228</u>	<u>6,207,975</u>
Liabilities						
Other Liabilities	626,704	588,792	24,768	1,811	651,472	590,603
Noncurrent Liabilities	<u>1,467,892</u>	<u>1,617,844</u>			<u>1,467,892</u>	<u>1,617,844</u>
Total Liabilities	<u>2,094,596</u>	<u>2,206,636</u>	<u>24,768</u>	<u>1,811</u>	<u>2,119,364</u>	<u>2,208,447</u>
Net Position						
Invested in Capital Assets-						
Net of Related Debt	2,336,569	2,141,957	21,428	27,561	2,357,997	2,169,518
Restricted	3,172,593	2,764,389	32,055	32,055	3,204,648	2,796,444
Unrestricted	<u>(1,174,389)</u>	<u>(1,052,562)</u>	<u>118,608</u>	<u>86,128</u>	<u>(1,055,781)</u>	<u>(966,434)</u>
Total Net Position	<u>4,334,773</u>	<u>3,853,784</u>	<u>172,091</u>	<u>145,744</u>	<u>4,506,864</u>	<u>3,999,528</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2014.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			49,084	48,867	49,084	48,867
Operating Grants and						
Contributions	1,210,779	1,362,151	373,423	422,739	1,584,202	1,784,890
General Revenues:						
Taxes:						
Property taxes, levied for						
general purposes	10,459,613	10,254,523			10,459,613	10,254,523
Property taxes, levied for						
debt services	256,003	230,165			256,003	230,165
Federal and State Aid not						
Restricted	5,908,220	5,612,484			5,908,220	5,612,484
Federal and State - Capital						
Outlay		15,904				15,904
Miscellaneous Income	<u>125,013</u>	<u>36,402</u>	<u> </u>	<u> </u>	<u>125,013</u>	<u>36,402</u>
Total Revenues and Transfers	<u>17,959,628</u>	<u>17,511,629</u>	<u>422,507</u>	<u>471,606</u>	<u>18,382,135</u>	<u>17,983,235</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Functions/Program						
Instruction:						
Regular	4,844,899	4,639,636			4,844,899	4,639,636
Special Education	674,274	695,252			674,274	695,252
Other Special Instruction	653,184	905,956			653,184	905,956
Other Instruction	51,488	47,221			51,488	47,221
Support Services:						
Tuition	4,974,817	4,498,710			4,974,817	4,498,710
Student & Instruction						
Related Services	2,440,489	1,879,036			2,440,489	1,879,036
School Administrative						
Services	456,959	408,945			456,959	408,945
General Administrative						
Services	155,128	342,949			155,128	342,949
Central Services	418,985	365,375			418,985	365,375
Administrative Information						
Technology	123,858	133,214			123,858	133,214
Plant Operations and						
Maintenance	876,366	816,015			876,366	816,015
Pupil Transportation	171,554	197,769			171,554	197,769
Unallocated Benefits	1,117,086	995,799			1,117,086	995,799
Non-depreciable Capital						
Outlay	49,602	134,792			49,602	134,792
Food Service			414,772	426,396	414,772	426,396
Debt Services:						
Interest and Other Charges	26,944	40,444			26,944	40,444
Other Financing Uses:						
Repayment of NCLB						
Grant Monies		100,471				100,471
PY Uncollectible Receiv-						
ables - NCLB	199,657				199,657	
Fund Deficit in SACC						
Program	18,612		(18,612)			
Unallocated depreciation	<u>224,737</u>	<u>158,990</u>	<u> </u>	<u>3,428</u>	<u>224,737</u>	<u>162,418</u>
Total Expenses and Transfers	<u>17,478,639</u>	<u>16,360,574</u>	<u>396,160</u>	<u>429,824</u>	<u>17,874,799</u>	<u>16,790,398</u>
Increase or (Decrease) in						
Net Position	<u>480,989</u>	<u>1,151,055</u>	<u>26,347</u>	<u>41,782</u>	<u>507,336</u>	<u>1,192,837</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$17,675,142. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$10,715,616 because some of the cost was paid by those who benefitted from the programs \$49,084 by other governments and organizations who subsidized certain programs with grants and contributions \$7,492,422, and by miscellaneous sources \$125,013.

Revenues for the District's business-type activities (food service and school age child care programs) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service revenues exceeded expenses by \$26,347.
- ✓ Charges for services provided totaled \$49,084. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$373,423.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2014, and the amount and percentages of increases/(decreases) relative to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$10,840,629	60.4%	\$320,207	3.04%	\$10,520,422
State Source	6,051,094	33.7%	293,968	5.11%	5,757,126
Federal Source	<u>1,067,905</u>	<u>5.9%</u>	<u>(165,508)</u>	<u>(13.42)%</u>	<u>1,233,413</u>
	<u>\$17,959,628</u>	<u>100.0%</u>	<u>\$448,667</u>	<u>2.56%</u>	<u>\$17,510,961</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$6,243,887	35.5%	(64,266)	(1.02)%	6,308,153
Undistributed	10,624,884	60.4%	891,624	9.16%	9,733,260
Debt Service	273,694	1.6%	27,625	11.23%	246,069
Capital Outlay	228,950	1.3%	(118,182)	(34.05)%	347,132
Other Financing Uses	<u>218,269</u>	<u>1.2%</u>	<u>117,798</u>	<u>117.25%</u>	<u>100,471</u>
	<u>\$17,589,684</u>	<u>100.0%</u>	<u>\$854,599</u>	<u>5.11%</u>	<u>\$16,735,085</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

**TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2014, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$266,284 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$16,507,777. That amount is \$1,027,053 above the final amended budget of \$15,480,724. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$896,207 for TPAF social security reimbursements and on-behalf pension payments and a \$130,846 excess in miscellaneous anticipated revenues and other state aids.

The actual expenditures of the general fund were \$15,886,942 including transfers which is \$807,245 less than the final amended budget of \$16,694,186. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$896,707 and \$1,703,952 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,210,779. That amount is above the original budget estimate of \$1,030,691 and below the final amended budget of \$1,296,975. The \$266,284 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$86,196 variance between the final amended budget and the June 30, 2014 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special education fund were \$1,210,799, which is above the original budget of \$1,030,691 and below the final amended budget of \$1,296,975. The \$266,284 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$86,196 variance between the final amended budget and the June 30, 2014 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014 the School District had \$6,027,573 invested in sites, buildings and equipment. Of this amount, \$3,190,577 in depreciation has been taken over the years. We currently have a net book value of \$2,836,996. Total depreciable additions for the year were \$179,348, which consisted of various equipment purchases and site and building improvements.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
		<u>*Restated</u>		<u>*Restated</u>		<u>*Restated</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	9,957	9,957			9,957	9,957
Site Improvements	161,592	176,410			161,592	176,410
Buildings and Improvements	2,445,770	2,440,045			2,445,770	2,440,045
Machinery and Equipment	198,249	234,545	21,428	27,561	219,677	262,106
	<u>2,815,568</u>	<u>2,860,957</u>	<u>21,428</u>	<u>27,561</u>	<u>2,836,996</u>	<u>2,888,518</u>

*Balances restated for 2013

Debt Administration

At June 30, 2014, the District had \$1,467,892 of long term debt. Of this amount, \$834,826 is for compensated absences; \$132,732 is for the unfunded pension liability; \$479,000 of serial bonds for school improvements; and \$21,334 is the deferral of the annual PERS contribution.

At June 30, 2014, the school district's overall legal debt margin was \$26,346,123. For more detailed information, please refer to the Notes to the Basic Financial Statements.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2014</u>	<u>2013</u>
1994 School Improvement Bonds	<u>\$479,000</u>	<u>\$719,000</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2014-2015 school year that is slightly above the funding level of the 2013-2014 school year.

These factors were considered in preparing the Town of Guttenberg Board of Education's budgets for the 2014-2015 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Guttenberg Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Jolene Mantineo
School Business Administrator
Town of Guttenberg Board of Education
301 69th Street
Guttenberg, New Jersey 07093

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWN OF GUTTENBERG BOARD OF EDUCATION
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and investments	3,392,033	145,100	3,537,133
Receivables, net	221,767	28,474	250,241
Inventory		1,857	1,857
Restricted assets:			
Capital reserve account - cash	1		1
Capital assets:			
Land and construction in progress	9,957		9,957
Other capital assets, net	2,805,611	21,428	2,827,039
Total Assets	<u>6,429,369</u>	<u>196,859</u>	<u>6,626,228</u>
LIABILITIES			
Accounts payable and accrued liabilities	572,650	24,768	597,418
Unearned revenue	54,054		54,054
Noncurrent liabilities:			
Due within one year	256,660		256,660
Due beyond one year	1,211,232		1,211,232
Total liabilities	<u>2,094,596</u>	<u>24,768</u>	<u>2,119,364</u>
NET POSITION			
Net investment in capital assets	2,336,568	21,428	2,357,996
Restricted for:			
Capital Reserve	1		1
Other Purposes	3,172,593	32,055	3,204,648
Unrestricted (Deficit)	(1,174,389)	118,608	(1,055,781)
Total net position	<u>4,334,773</u>	<u>172,091</u>	<u>4,506,864</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWN OF GUTTENBERG BOARD OF EDUCATION
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	3,679,937	1,164,962		582,906		(4,261,993)		(4,261,993)
Special education	463,997	210,277				(674,274)		(674,274)
Other special instruction	653,184					(653,184)		(653,184)
Other instruction	51,488					(51,488)		(51,488)
Support services:								
Tuition	4,974,817					(4,974,817)		(4,974,817)
Student & instruction related services	2,299,219	141,270		627,873		(1,812,616)		(1,812,616)
General administrative services	416,974	39,985				(456,959)		(456,959)
School administrative services	110,350	44,778				(155,128)		(155,128)
Central services	330,178	88,807				(418,985)		(418,985)
Administrative information technology	102,838	21,020				(123,858)		(123,858)
Plant operations and maintenance	754,428	121,938				(876,366)		(876,366)
Pupil transportation	171,554					(171,554)		(171,554)
Unallocated benefits	1,117,086					(1,117,086)		(1,117,086)
Non-depreciable capital outlay	49,602					(49,602)		(49,602)
Debt Services:								
Interest and Other Charges		26,944				(26,944)		(26,944)
Unallocated depreciation		224,737				(224,737)		(224,737)
Total governmental activities	15,175,652	2,084,718	-	1,210,779	-	(16,049,591)	-	(16,049,591)
Business-type activities:								
Food Service	414,772		49,084	373,423			7,735	7,735
Total business-type activities	414,772		49,084	373,423			7,735	7,735
Total primary government	15,590,424		49,084	1,584,202	-	(16,049,591)	7,735	(16,041,856)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						10,459,613		10,459,613
Property taxes, levied for debt services						256,003		256,003
Federal and State aid not restricted						5,908,220		5,908,220
Miscellaneous Income						125,013		125,013
Extraordinary Items:								
Other Financing sources (uses)						(199,657)		(199,657)
To fund prior year uncollectible receivables - No Child Left Behind						(18,612)	18,612	-
To fund deficit in school age child care program						16,330,580	18,612	16,549,192
Total general revenues, special items, extraordinary items and transfers						480,989	26,347	507,336
Change in Net Position								
Net Position—beginning, restated						3,853,784	145,744	3,999,528
Net Position—ending						4,334,773	172,091	4,506,864

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TOWN OF GUTTENBERG BOARD OF EDUCATION

Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	3,250,006		3,250,006
Interfund receivables	61,127		61,127
Receivables from other governments	19,123	167,306	186,429
Restricted cash and cash equivalents	1		1
Total assets	<u>3,330,257</u>	<u>167,306</u>	<u>3,497,563</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	471,715	87,463	559,178
Interfund payables		25,789	25,789
Unearned revenue		54,054	54,054
Total liabilities	<u>471,715</u>	<u>167,306</u>	<u>639,021</u>
Fund Balances:			
Restricted for:			
Excess surplus - designated for subsequent year's expenditures	1,408,628		1,408,628
Excess surplus - current year	1,606,845		1,606,845
Capital reserve account	1		1
Assigned to:			
Other Purposes	15,093		15,093
Unreserved, reported in:			
General fund	(172,025)		(172,025)
Total Fund balances	<u>2,858,542</u>	<u>-</u>	<u>2,858,542</u>
Total liabilities and fund balances	<u>3,330,257</u>	<u>167,306</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,935,535 and the accumulated depreciation is \$3,119,967. 2,815,568

Accrued interest on serial bonds payable is not due and payable in the current period and is not reported as a liability in the funds (13,472)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 3) (1,467,892)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets 142,027

Net position of governmental activities 4,334,773

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWN OF GUTTENBERG BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Local tax levy	10,459,613		256,003	10,715,616
Miscellaneous	125,013			125,013
Total - Local Sources	10,584,626	-	256,003	10,840,629
State sources	5,871,106	162,299	17,689	6,051,094
Federal sources	19,425	1,048,480		1,067,905
Total revenues	16,475,157	1,210,779	273,692	17,959,628
EXPENDITURES				
Current:				
Regular instruction	4,282,035	582,906		4,864,941
Special education instruction	674,274			674,274
Other special instruction	653,184			653,184
Other instruction	51,488			51,488
Support services and undistributed costs:				
Tuition	4,974,817			4,974,817
Student & instruction related services	1,812,616	627,873		2,440,489
General administrative services	456,959			456,959
School administrative services	155,128			155,128
Central services	418,985			418,985
Administrative information technology	123,858			123,858
Plant operations and maintenance	876,366			876,366
Pupil transportation	171,554			171,554
Unallocated Benefits	110,521			110,521
On-behalf contributions	896,207			896,207
Capital Outlay	228,950			228,950
Debt Service:				
Principal			240,000	240,000
Interest and other Charges			33,694	33,694
Total expenditures	15,886,942	1,210,779	273,694	17,371,415
Excess (Deficiency) of revenues over expenditures	588,215	-	(2)	588,213
OTHER FINANCING SOURCES (USES)				
Cancellation of prior year grants receivable		(199,657)		(199,657)
To fund prior year uncollectible receivables -				-
No Child Left Behind entitlements	(199,657)			(199,657)
Transfers Out - Debt Service Fund	(1)			(1)
Transfers In		199,657	1	199,658
Transfers Out - School Age Child Care Program	(18,612)			(18,612)
Total other financing sources and uses	(218,270)	-	1	(218,269)
Net change in fund balances	369,945	-	(1)	369,944
Fund balance—July 1	2,488,597	-	1	2,488,598
Fund balance—June 30	2,858,542	-	-	2,858,542

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWN OF GUTTENBERG BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2)	369,944
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(224,737)	
Depreciable Capital outlays	179,348	(45,389)

Repayment of long-term is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:

Principal payment on serial bonds	240,000
Payment of unfunded pension liability	20,042
Payment of deferred PERS pension contribution	1,391

In the statement of activities, interest on long-term debt is accrued, regardless of when due.

In the governmental funds, interest is reported when due. The accrued interest is a subtraction in the reconciliation.(-)

6,750

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in compensated absences payable	(111,481)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.

(268)

Change in net position of governmental activities

480,989

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2014

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service Program	Totals	
ASSETS			
Current assets:			
Cash and cash equivalents	145,100	145,100	142,027
Accounts receivable:			
State	891	891	
Federal	27,583	27,583	
Inventories	1,857	1,857	
Total current assets	<u>175,431</u>	<u>175,431</u>	<u>142,027</u>
Noncurrent assets:			
Capital assets:			
Equipment	92,038	92,038	
Less accumulated depreciation	<u>(70,610)</u>	<u>(70,610)</u>	
Total capital assets (net of accumulated depreciation)	<u>21,428</u>	<u>21,428</u>	
Total assets	<u>196,859</u>	<u>196,859</u>	<u>142,027</u>
LIABILITIES			
Current liabilities:			
Accounts payable	24,768	24,768	
Total current liabilities	<u>24,768</u>	<u>24,768</u>	
Total liabilities	<u>24,768</u>	<u>24,768</u>	
NET POSITION			
Net investment in capital assets	21,428	21,428	
Restricted contributed capital	32,055	32,055	
Unrestricted	118,608	118,608	142,027
Total net assets	<u>172,091</u>	<u>172,091</u>	<u>142,027</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service Program	School Age Child Care	Total Enterprise	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	37,681		37,681	
Daily sales - non-reimbursable programs	11,403		11,403	
Total operating revenues	49,084	-	49,084	-
Operating expenses:				
Cost of sales	159,850		159,850	
Salaries	186,133		186,133	
Supplies and materials	15,090		15,090	
Cleaning, repair and maintenance	865		865	
Utilities	4,391		4,391	
Employee benefits	27,982		27,982	
Purchased property services	14,328		14,328	
Depreciation	6,133		6,133	
Total Operating Expenses	414,772	-	414,772	-
Operating income (loss)	(365,688)	-	(365,688)	-
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,690		6,690	
Federal sources:				
National school lunch program	316,590		316,590	
National school breakfast program	15,023		15,023	
Food distribution program	35,120		35,120	
Interest and investment revenue (expenses)	-		-	(268)
Total nonoperating revenues (expenses)	373,423	-	373,423	(268)
Income (loss) before contributions & transfers	7,735	-	7,735	(268)
Transfers in (out)		18,612	18,612	
Change in net position	7,735	18,612	26,347	(268)
Total net position—beginning, restated	164,356	(18,612)	145,744	142,295
Total net position—ending	172,091	-	172,091	142,027

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service Program	School Age Child Care	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	49,084		49,084	
Payments to Outside Food Service Management Company	(281,427)		(281,427)	
Payments to employees	(63,575)		(63,575)	
Payments for cleaning, repair and maintenance	(865)		(865)	
Payments for supplies	(1,602)		(1,602)	
Net cash provided by (used for) operating activities	(298,385)	-	(298,385)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	6,635		6,635	
Federal Sources	329,155		329,155	
Operating subsidies and transfers to other funds		18,612	18,612	-
Due to General Fund		(1,811)	(1,811)	
Net cash provided by (used for) non-capital financing activities	335,790	16,801	352,591	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends (expenses)			-	(268)
Net cash provided by (used for) investing activities	-	-	-	(268)
Net increase (decrease) in cash and cash equivalents	37,405	16,801	54,206	(268)
Balances—beginning of year	107,695	(16,801)	90,894	142,295
Balances—end of year	145,100	-	145,100	142,027
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss) provided by:	(365,688)	-	(365,688)	-
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	6,133		6,133	
Food Distribution Program	35,120		35,120	
(Increase) decrease in inventories	1,282		1,282	
Increase (decrease) in accounts payable	24,768		24,768	
Total adjustments	67,303	-	67,303	-
Net cash provided by (used for) operating activities	(298,385)	-	(298,385)	-

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	16,903	137,597
Deposits		7,688
Total assets	<u>16,903</u>	<u>145,285</u>
LIABILITIES		
Payable to student groups		23,029
Payroll deductions and withholdings		85,091
Net salaries and wages		1,827
Interfund Payable - General Fund		35,338
Total liabilities		<u>145,285</u>
NET POSITION		
Held in trust for unemployment claims and other purposes		
Reserved for Scholarships	<u>16,903</u>	

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	Unemployment Compensation Trust Fund	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Prior Year Void Check		100
Total Contributions	-	100
DEDUCTIONS		
Account closed to General Fund	15,307	
Scholarship payments		1,100
Total deductions	15,307	1,100
Change in net assets	(15,307)	(1,000)
Net position—beginning of the year	15,307	17,903
Net position—end of the year	-	16,903

NOTES TO THE FINANCIAL STATEMENTS

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education ("Board") of the Town of Guttenberg School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Town of Guttenberg School District is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of the Town of Guttenberg School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service and School Age Child Care Programs.

Internal Service Fund - The Internal Service Fund has been established to account for the income and related expenses associated with the lease of school owned property.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Private Purpose Scholarship Funds, Student Activities Fund, Payroll and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Budgets/Budgetary Control: (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenue at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Cash, Cash Equivalents and Investments: (continued)

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

M. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

O. Fund Balances: (continued)

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

P. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Q. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service and tuition for the School Age Child Care Program . Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. The following extraordinary items occurred during the year ended June 30, 2014:

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

R. Extraordinary and Special Items: (continued)

The District transferred \$199,657 from its General Fund to the Special Revenue Fund to liquidate the prior years' receivables related to unclaimed No Child Left Behind entitlements. The State Department of Education advised that as prior year entitlements have since been closed at the federal level, the District could not report and request reimbursement of expenditures that the District had failed to report related to prior years. In addition, the District also transferred \$18,612 from its General Fund to the School Age Child Care program to fund the deficit related to that program's operations. The District ceased operations of the School Age Child Care program at the end of fiscal year 2010. Upon liquidation of the deficit, all accounts related to the School Age Child Care program were closed. Both of the above mentioned amounts were expensed in the current year as an other financing use.

S. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. Recent Accounting Pronouncements:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

U. Recent Accounting Pronouncements: (continued)

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69, "Government Combinations and Disposals of Government Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$-0- of the District's bank balance of \$7,116,570 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2014, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$19,123	\$891	\$20,014
Federal Aid	167,306	27,583	194,889
Due from Other Funds	<u>61,127</u>		<u>35,338</u>
Gross Receivables	247,556	28,474	250,241
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$247,556</u>	<u>\$28,474</u>	<u>\$250,241</u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2014, consisted of the following:

\$25,789	Due to the General Fund from the Special Revenue for short-term loans.
<u>35,338</u>	Due to the General Fund from the Payroll Agency Account for monies in excess of that required to cover payroll deductions and withholdings due.
<u>\$61,127</u>	

Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 6. RETROACTIVE RESTATEMENT DUE TO UPDATED CAPITAL ASSET INVENTORY

During fiscal year 2014, the district authorized its capital asset appraisal firm to research and conduct a physical inventory of its fixed assets. This resulted in the following restatement of net assets as of June 30, 2013.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Assets, June 30, 2013	\$3,910,970	\$177,903
Restatement of Capital Assets	<u>(57,186)</u>	<u>(32,159)</u>
Net Assets, June 30, 2013	<u>\$3,853,784</u>	<u>\$145,744</u>

NOTE 7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Restated Balance 6/30/13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/14</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	9,957			9,957
Construction in Progress				
Total Capital Assets Not Being Depreciated	<u>9,957</u>			<u>9,957</u>
Capital Assets Being Depreciated				
Sites and Improvements	317,787			317,787
Buildings and Improvements	4,631,444	132,865		4,764,309
Machinery and Equipment	<u>796,999</u>	<u>46,483</u>		<u>843,482</u>
Total Capital Assets, Being Depreciated	<u>5,746,230</u>	<u>179,348</u>		<u>5,925,578</u>
Less Accumulated Depreciation:				
Sites and Improvements	(141,377)	(14,818)		(156,195)
Buildings and Improvements	(2,191,399)	(127,140)		(2,318,539)
Machinery and Equipment	<u>(562,454)</u>	<u>(82,779)</u>		<u>(645,233)</u>
Total Accumulated Depreciation	<u>(2,895,230)</u>	<u>(224,737)</u>		<u>(3,119,967)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>2,851,000</u>	<u>(45,389)</u>		<u>2,805,611</u>
Governmental Activities Capital Assets, Net	<u>2,860,957</u>	<u>(45,389)</u>		<u>2,815,568</u>

Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 7. CAPITAL ASSETS, (continued)

	Restated Balance 6/30/13	Additions	Deductions	Balance 6/30/14
Business-Type Activity				
Furniture and Equipment	92,038			92,038
Less Accumulated Depreciation for Equipment	(64,477)	(6,133)	_____	(70,610)
Business-Type Activity Capital Assets, Net	<u>27,561</u>	<u>(6,133)</u>	=====	<u>21,428</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as unallocated depreciation.

NOTE 8. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2014 were as follows:

	Balance June 30, 2013	Issued	Retired	Balance June 30, 2014	Amount Due Within One Year
Unfunded Pension Liability	\$152,774		\$20,042	\$132,732	\$
Deferred PERS Pension Contribution	22,725	\$	1,391	21,334	
Compensated Absences Payable	723,345	177,552	66,071	834,826	16,660
Bonds Payable	<u>719,000</u>		<u>240,000</u>	<u>479,000</u>	<u>240,000</u>
Total	<u>\$1,617,844</u>	<u>\$177,552</u>	<u>\$327,504</u>	<u>\$1,467,892</u>	<u>\$256,660</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Outstanding bonds payable at June 30, 2014 consisted of the following:

Issue	Issue Date	Interest Rates	Date of Maturity	Principal Balance June 30, 2014
School Improvement Bonds	07/01/1994	5.625%	07/01/2015	<u>\$479,000</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 8. LONG-TERM OBLIGATION ACTIVITY, (continued)

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$240,000	\$20,193	\$260,193
2016	<u>239,000</u>	<u>6,722</u>	<u>245,722</u>
	<u>\$479,000</u>	<u>\$26,915</u>	<u>\$505,915</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2014 the Board has no authorized but not issued bonds.

C. Capital Leases

The District had no capital leases outstanding at June 30, 2014.

NOTE 9. OPERATING LEASES

The District has commitments to lease copying equipment and the rental of office space for the Board of Education which expire in February 2016. Total operating lease payments made during the year ended June 30, 2014 were \$60,217. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$50,473
2016	<u>7,980</u>
	<u>\$58,453</u>

NOTE 10. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 10. PENSION PLANS, (continued)

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 10. PENSION PLANS, (continued)

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year <u>Ending</u>	
6/30/14	\$110,521
6/30/13	98,802
6/30/12	114,906

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits and NCGI Premium were as follows:

Year <u>Ending</u>	Pension <u>Contributions</u>	Post-Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>
6/30/14	\$179,971	\$321,132	\$15,886
6/30/13	281,349	334,872	14,803
6/30/12	147,461	328,247	15,825

During the year ended June 30, 2014, the State of New Jersey contributed \$516,989 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$379,218 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

NOTE 11. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 11. POST-RETIREMENT BENEFITS, (continued)

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Metropolitan Life Insurance Co.
AXA Equitable

NOTE 13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this method, the District remits all contributions directly to the State of New Jersey Unemployment Trust Fund.

NOTE 14. INVENTORY

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food	\$1,262
Supplies	<u>595</u>
	<u>\$1,857</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 14. INVENTORY, (continued)

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 15. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Town of Guttenberg Board of Education by inclusion of \$1 on October 4, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	<u>\$1.00</u>
Ending Balance, June 30, 2014	<u>\$1.00</u>

NOTE 16. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Board of Education in FY 2005. The account is maintained in the General Fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.A.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 16. MAINTENANCE RESERVE ACCOUNT

The activity of the maintenance reserve account for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance, July 1, 2013	\$1.00
Withdrawals:	
2013-2014 Budget	<u>\$1.00</u>
Total Withdrawals	<u>1.00</u>
Ending Balance, June 30, 2014	<u>\$-0-</u>

NOTE 17. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$2,858,542 General Fund fund balance at June 30, 2014, \$15,093 is reserved for encumbrances; \$3,015,473 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$1,408,628 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$1 has been reserved in the Capital Reserve Account; \$(172,025) is unreserved and undesignated.

NOTE 18. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$172,025 in the General Fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$172,025 is less than the last state aid payment.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 19. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$3,015,473. Of this amount, \$1,606,845 is the result of current year's operations.

NOTE 20. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is aware of the following material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 21. RELATED PARTY TRANSACTION

The District entered into an agreement to rent office space from a family member of the Business Administrator. This agreement was dated May 8, 2013 for a two-year period beginning June 1, 2013 through May 31, 2015. Yearly rental costs are \$17,600 for the first year and \$19,008 for the second year.

NOTE 22. SUBSEQUENT EVENTS

The Board has evaluated subsequent events through October 31, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

Exhibit C-1
Page 1 of 5

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Local Sources:					
Local Tax Levy	10,459,613	-	10,459,613	10,459,613	-
Miscellaneous		-	-	125,013	125,013
Total - Local Sources	10,459,613	-	10,459,613	10,584,626	125,013
State Sources:					
Special Education Aid	807,468	-	807,468	807,468	-
Equalization Aid	3,594,240	-	3,594,240	3,594,240	-
Security Aid	197,684	-	197,684	197,684	-
Transportation Aid	7,250	-	7,250	7,250	-
Under-Adequacy Aid	400,877	-	400,877	400,877	-
TPAF Pension and Postretirement Medical	-				
Contributions (On-Behalf - Non Budgeted)	-			321,132	321,132
TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)	-			195,857	195,857
TPAF Social Security (Reimbursed - Non-Budgeted)				379,218	379,218
Total - State Sources	5,007,519	-	5,007,519	5,903,726	896,207
Federal Sources:					
Medical Assistance Program (SEMI)	13,592	-	13,592	19,425	5,833
Total - Federal Sources	13,592	-	13,592	19,425	5,833
TOTAL REVENUES	15,480,724	-	15,480,724	16,507,777	1,027,053
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten - Salaries of Teachers	262,102	-	262,102	242,684	19,418
Grades 1-5 - Salaries of Teachers	1,347,085	72,897	1,419,982	1,419,982	-
Grades 6-8 - Salaries of Teachers	959,848	93,365	1,053,213	1,052,136	1,077
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	(7,000)	3,000	2,038	962
Other Purchased Services (400-500 series)	3,500	(3,500)			-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	127,348	(38,465)	88,883	88,883	-
Other Purchased Services (400-500 series)	20,000	8,338	28,338	28,124	214
General Supplies	271,332	(60,738)	210,594	169,649	40,945
Textbooks	250,000	(72,897)	177,103	93,535	83,568
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,251,215	(8,000)	3,243,215	3,097,031	146,184
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	149,249	51,634	200,883	197,494	3,389
Total Learning and/or Language Disabilities	149,249	51,634	200,883	197,494	3,389
Multple Disabilities					
Salaries of Teachers	53,337	(8,003)	45,334	8,747	36,587
Total Multiple Disabilities	53,337	(8,003)	45,334	8,747	36,587
Resource Room/Resource Center:					
Salaries of Teachers	209,342	-	209,342	205,309	4,033
Total Resource Room/Resource Center	209,342	-	209,342	205,309	4,033
Autism:					
Salaries of Teachers	52,444	3	52,447	52,447	-
Total Autism	52,444	3	52,447	52,447	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	464,372	43,634	508,006	463,997	44,009
Basic Skills/Remedial-Instruction					
Salaries of Teachers	306,061	-	306,061	257,391	48,670
General Supplies	150,000	(42,386)	107,614	-	107,614
Total Basic Skills/Remedial-Instruction	456,061	(42,386)	413,675	257,391	156,284
Bilingual Education - Instruction					
Salaries of Teachers	409,238	-	409,238	354,135	55,103
General Supplies	100,000	(20,000)	80,000	33,835	46,165
Textbooks	50,000	-	50,000	7,823	42,177
Total Bilingual Education - Instruction	559,238	(20,000)	539,238	395,793	143,445

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

Exhibit C-1
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	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
School-Sponsored Cocurricular Activities - Instruction					
Salaries	12,000	(2,190)	9,810	9,810	-
Other Purchased Services (400-500 series)	30,000	(5,162)	24,838	22,884	1,954
Cultural Programs	-	9,432	9,432	9,432	-
Total School-Sponsored Cocurricular Activities - Instruction	42,000	2,080	44,080	42,126	1,954
School-Sponsored Athletics - Instruction					
Salaries	7,000	(1,025)	5,975	4,970	1,005
Purchased Services - (300-500 series)	7,000	(1,055)	5,945		5,945
Total School-Sponsored Athletics - Instruction	14,000	(2,080)	11,920	4,970	6,950
Other Instructional Programs - Instruction					
Purchased Services - (300-500 series)	2,500	-	2,500		2,500
Supplies and Materials	500	-	500	300	200
Total Other Instructional Programs - Instruction	3,000	-	3,000	300	2,700
Other Supplemental / At-Risk Programs - Instruction					
Salaries of Reading Specialists	187,498	(18,700)	168,798	4,092	164,706
Purchased Services - (300-500 series)	8,000	1,200	9,200		9,200
Total Other Instructional Programs - Instruction	195,498	(17,500)	177,998	4,092	173,906
TOTAL INSTRUCTION	4,985,384	(44,252)	4,941,132	4,265,700	675,432
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	4,230,000	(157,920)	4,072,080	4,072,080	-
Tuition to other LEAs within the state - Special	615,596	(50,584)	565,012	348,273	216,739
Tuition to CSSD & Regular Day Schools	290,868	42,202	333,070	333,070	-
Tuition to Priv.Sch. For the Disabled W/I State	203,690	6,928	210,618	208,941	1,677
Tuition to Charter Schools	-	13,454	13,454	12,453	1,001
Total Undistributed Expenditures - Instruction	5,340,154	(145,920)	5,194,234	4,974,817	219,417
Undist. Expend. - Health Services					
Salaries	107,343	5,033	112,376	111,631	745
Purchased Professional and Technical Services	8,200	-	8,200	8,200	-
Supplies and Materials	3,500	(1,997)	1,503	1,503	-
Total Undistributed Expenditures - Health Services	119,043	3,036	122,079	121,334	745
Undist. Expenditures - Speech, OT, PT & Related Serv.					
Salaries	200,062	3,763	203,825	203,825	-
Purchased Professional - Educational Services	350,000	(46,404)	303,596	182,813	120,783
Total Undist. Expend. - Speech, OT, PT & Related Serv.	550,062	(42,641)	507,421	386,638	120,783
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	158,157	(5,017)	153,140	151,559	1,581
Salaries of Secretarial and Clerical Assistants	39,530	10,000	49,530	43,552	5,978
Purchased Professional - Educational Services	2,500	(2,500)			-
Supplies and Materials	17,799	(11,668)	6,131	202	5,929
Total Undist. Expend. - Guidance	217,986	(9,185)	208,801	195,313	13,488
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	99,619	5,017	104,636	104,628	8
Salaries of Secretarial and Clerical Assistants	23,575	317	23,892	23,892	-
Other Salaries	272,455	49,831	322,286	322,286	-
Supplies and Materials	8,200	(7,626)	574	574	-
Total Undist. Expend. - Child Study Team	403,849	47,539	451,388	451,380	8
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	72,000	53,887	125,887	125,887	-
Other Salaries	15,000	(7,800)	7,200	5,057	2,143
Salaries of Facilitators, Math & Literacy Coaches	61,865	(38,087)	23,778	23,778	-
Total Undist. Expend. - Improvement of Instructional Services	148,865	8,000	156,865	154,722	2,143
Undist. Expend. - Instructional Staff Training Services					
Salaries - Supervisors	224,910	132,000	356,910	346,959	9,951
Purchased Professional - Educational Services	15,000	-	15,000	15,000	-
Total Undist. Expend. - Instructional Staff Training Services	239,910	132,000	371,910	361,959	9,951

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

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	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Undist. Expend. - Support Serv. - General Administration					
Salaries	198,349	(6,898)	191,451	189,676	1,775
Salaries of Attorneys	51,000	-	51,000	51,000	-
Audit Fees	34,000	(2,593)	31,407	30,040	1,367
Expenditure & Internal Control Audit Fees	21,000	-	21,000	21,000	-
Purchased Technical Services	10,000	11,830	21,830	17,781	4,049
Communications/telephone	45,000	15,869	60,869	60,869	-
BOE Other Purchased Services	10,000	1,965	11,965	11,913	52
Misc. Purchased Services (400-500 series)	30,000	(30,000)	-	-	-
General Supplies	10,000	17,667	27,667	26,664	1,003
BOE In-House Training/Meeting Supplies	5,250	(4,193)	1,057	1,034	23
Miscellaneous expenditures	4,000	(3,818)	182	-	182
BOE Membership Dues and Fees	6,824	173	6,997	6,997	-
Total Undist. Expend. - Supp. Serv. - General Administration	425,423	2	425,425	416,974	8,451
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	133,111	(15,960)	117,151	12,290	104,861
Salaries of Secretarial and Clerical assistants	72,370	-	72,370	67,815	4,555
Purchased Professional and Technical Services	5,000	(2,653)	2,347	-	2,347
Other Purchased Services	-	15,960	15,960	15,960	-
Supplies and materials	12,000	2,653	14,653	14,285	368
Total Undist. Expend. - Support Serv. - School Administration	222,481	-	222,481	110,350	112,131
Undistributed Expenditures - Central Services					
Salaries	241,992	15,392	257,384	257,384	-
Purchased Technical Services	20,000	(7,121)	12,879	12,814	65
Misc. Purchased Services (400-500 series)	5,000	(3,728)	1,272	997	275
Supplies and Materials	10,000	445	10,445	10,445	-
Miscellaneous expenditures	1,050	48,193	49,243	48,538	705
Total Undists Expend. - Central Services	278,042	53,181	331,223	330,178	1,045
Undist. Expend. - Admin. Info. Tech.					
Salaries	70,000	(3,684)	66,316	60,081	6,235
Purchased Technical Services	30,000	12,757	42,757	42,757	-
Supplies and Materials	20,000	(12,757)	7,243	-	7,243
Total Undist. Expend. - Admin. Info. Technology	120,000	(3,684)	116,316	102,838	13,478
Undist. Expend. - Required Maint. for School Facilities					
Salaries	87,098	-	87,098	86,673	425
Cleaning, Repair and Maintenance Services	120,000	-	120,000	91,643	28,357
Total Undist. Expend. - Required Maint. for School Facilities	207,098	-	207,098	178,316	28,782
Undist. Expend. - Custodial Services					
Salaries	149,399	8,100	157,499	153,892	3,607
Salaries of Non-Instructional Aides	78,000	(24,233)	53,767	7,007	46,760
Rental of Land & Bldg. Oth. Than Lease Purch Agreement	-	16,133	16,133	16,133	-
Water	-	13,000	13,000	9,435	3,565
Other Purchased Property Services	26,000	(13,936)	12,064	8,410	3,654
Insurance	130,000	936	130,936	127,966	2,970
Miscellaneous Purchased Services	6,000	-	6,000	5,026	974
General Supplies	80,950	-	80,950	72,480	8,470
Energy (Electricity)	130,000	-	130,000	90,932	39,068
Energy (Natural Gas)	60,000	-	60,000	44,701	15,299
Total Undist. Expend. - Other Oper. & Maint. of Plant Svcs.	660,349	-	660,349	535,982	124,367
Undist. Expend. - Security					
Salaries	40,000	130	40,130	40,130	-
Total Undist. Expend. - Security	40,000	130	40,130	40,130	-
Total Undistributed Expend.-Oper & Maint of Plant Svcs.	907,447	130	907,577	754,428	153,149
Undist. Expend. - Student transportation services:					
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	270,000	(130)	269,870	171,554	98,316
Total Undist. Expend. - Student Transportation Services	270,000	(130)	269,870	171,554	98,316
ALLOCATED BENEFITS					
Regular Programs - Instruction - Employee Benefits					
Social Security Contributions	136,481	(19,537)	116,944	116,944	-
T.P.A.F. Contributions - ERIP	55,000	(30,706)	24,294	20,042	4,252
Unemployment Compensation	40,099	-	40,099	32,973	7,126
Health Benefits	868,243	395,863	1,264,106	1,009,110	254,996
Tuition Reimbursentent	8,000	(1,229)	6,771	3,982	2,789
Other Employee Benefits	2,000	-	2,000	1,953	47
Total Regular Programs - Instruction	1,109,823	344,391	1,454,214	1,185,004	269,210

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

Exhibit C-1
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	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Special Programs - Instruction - Employee Benefits					
Health Benefits	323,365	(114,088)	209,277	209,277	-
Other Employee Benefits	1,500	(500)	1,000	1,000	-
Total Special Programs - Instruction - Employee Benefits	324,865	(114,588)	210,277	210,277	-
Other Instructional Programs - Employee Benefits					
Health Benefits	65,831	(65,831)	-	-	-
Other Employee Benefits	1,200	(1,200)	-	-	-
Total Special Programs - Instruction - Employee Benefits	67,031	(67,031)	-	-	-
Health Services - Employee Benefits					
Health Benefits	22,283	2,321	24,604	24,604	-
Other Employee Benefits	400	-	400	-	400
Total Health Services - Employee Benefits	22,683	2,321	25,004	24,604	400
Other Support Serv. - Speech, OT, PT, & Rel. Svc - Employee Benefits					
Health Benefits	38,340	(4,212)	34,128	34,128	-
Other Employee Benefits	400	-	400	200	200
Total Other Support Services - Employee Benefits	38,740	(4,212)	34,528	34,328	200
Other Support Services - Guidance - Employee Benefits:					
Health Benefits	50,208	8,534	58,742	58,742	-
Total Other Support Services - Guidance - Employee Benefits	50,208	8,534	58,742	58,742	-
Other Support Services - Child Study Team - Employee Benefits					
Health Benefits	148,692	(125,296)	23,396	23,396	-
Other Employee Benefits	800	-	800	200	600
Total Other Support Svc - Child Study Team - Employee Benefits	149,492	(125,296)	24,196	23,596	600
Support Services - General Admin - Employee Benefits					
Social Security Contributions	25,000	(21,680)	3,320	3,320	-
Health Benefits	54,619	(15,816)	38,803	36,233	2,570
Other Employee Benefits	1,000	-	1,000	432	568
Total Support Services - General Admin - Employee Benefits	80,619	(37,496)	43,123	39,985	3,138
Support Services - School Admin - Employee Benefits					
Social Security Contributions	7,500	(2,321)	5,179	5,068	111
Health Benefits	62,755	(23,445)	39,310	39,310	-
Other Employee Benefits	800	-	800	400	400
Total Support Services - School Admin - Employee Benefits	71,055	(25,766)	45,289	44,778	511
Support Services - Central Services - Employee Benefits					
Social Security Contributions	11,000	2,283	13,283	13,283	-
Health Benefits	48,207	27,317	75,524	75,524	-
Total Support Services - Central Services - Employee Benefits	59,207	29,600	88,807	88,807	-
Support Services - Admin. Info. Tech. - Employee Benefits					
Social Security Contributions	4,200	485	4,685	4,442	243
Health Benefits	8,496	8,364	16,860	16,578	282
Total Support Services - Admin. Info. Tech. - Employee Benefits	12,696	8,849	21,545	21,020	525
Operation and Maintenance of Plant Svcs - Employee Benefits					
Social Security Contributions	18,000	(5,975)	12,025	11,767	258
Health Benefits	105,103	5,068	110,171	110,171	-
Total Operation and Maintenance of Plant Svcs - Employee Benefits	123,103	(907)	122,196	121,938	258
TOTAL ALLOCATED BENEFITS	2,109,522	18,399	2,127,921	1,853,079	274,842
UNALLOCATED BENEFITS					
Unallocated Benefits - Employee Benefits					
Other Retirement Contributions - PERS	115,000	(4,475)	110,525	110,521	4
Total Unallocated Benefits - Employee Benefits	115,000	(4,475)	110,525	110,521	4
Total Personal Services - Employee Benefits	2,224,522	13,924	2,238,446	1,963,600	274,846
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				501,103	(501,103)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				15,886	(15,886)
Reimbursed TPAF Social Security Contributions (non-budgeted)				379,218	(379,218)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	896,207	(896,207)
TOTAL UNDISTRIBUTED EXPENDITURES	11,467,784	56,252	11,524,036	11,392,292	131,744
TOTAL GENERAL CURRENT EXPENSE	16,453,168	12,000	16,465,168	15,657,992	807,177

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

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	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment:					
Preschool	14,353	-	14,353	14,353	-
Grades 1-5	44,500	(708)	43,792	43,724	68
Grades 6-8	10,000	(10,000)	-	-	-
Equipment - Undistributed:					
Supp Serv. - Related & Extra.	6,000	(3,257)	2,743	2,743	-
School Administration	15,000	708	15,708	15,708	-
Central Services	80,000	23,342	103,342	103,342	-
Admin Info Tech.	5,000	(5,000)	-	-	-
Security	15,000	(5,085)	9,915	9,915	-
Total Equipment	<u>189,853</u>	<u>-</u>	<u>189,853</u>	<u>189,785</u>	<u>68</u>
Undist. Expenditures - Facilities Acquisition and Construction Services:					
Construction Services	39,165	-	39,165	39,165	-
Total Facilities Acquisition and Construction Services	<u>39,165</u>	<u>-</u>	<u>39,165</u>	<u>39,165</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>229,018</u>	<u>-</u>	<u>229,018</u>	<u>228,950</u>	<u>68</u>
GENERAL FUND					
Transfer of funds to charter schools	12,000	(12,000)	-	-	-
TOTAL EXPENDITURES	<u>16,694,186</u>	<u>0</u>	<u>16,694,186</u>	<u>15,886,942</u>	<u>807,245</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(1,213,462)</u>	<u>(0)</u>	<u>(1,213,462)</u>	<u>620,835</u>	<u>1,834,298</u>
Other Financing Sources/(Uses):					
To Fund Prior Year Uncollectible Receivables - No Child Left Behind				199,657	(199,657)
Transfer to Debt Service Fund				1	(1)
Transfer to School Age Child Care Program to Fund Deficit				18,612	(18,612)
Total Other Financing Sources/(Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,270</u>	<u>(218,270)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,213,462)</u>	<u>(0)</u>	<u>(1,213,462)</u>	<u>402,565</u>	<u>1,616,028</u>
Fund Balance, July 1	<u>2,927,817</u>		<u>2,927,817</u>	<u>2,927,817</u>	<u>-</u>
Fund Balance, June 30	<u>1,714,355</u>	<u>(0)</u>	<u>1,714,355</u>	<u>3,330,382</u>	<u>1,616,028</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for Prior Year Encumbrances	(55,018)		(55,018)	(55,018)	-
Budgeted Withdrawal of Maintenance Reserve	1		1		
Budgeted Fund Balance	<u>(1,158,445)</u>		<u>(1,158,445)</u>	<u>457,583</u>	<u>1,616,028</u>
	<u>(1,213,462)</u>	<u>-</u>	<u>(1,213,462)</u>	<u>402,565</u>	<u>1,616,028</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				1	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,408,628	
Excess Surplus - Current Year				1,606,845	
Assigned Fund Balance:					
Year-End Encumbrances				15,093	
Unassigned Fund Balance				<u>299,815</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>3,330,382</u>	
Less: Last State Aid Payment not recognized, GAAP Basis				<u>(471,840)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>2,858,542</u>	

TOWN OF GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	167,994	2,721	170,715	162,299	(8,416)
Federal Sources	862,697	263,563	1,126,260	1,048,480	(77,780)
Total Revenues	1,030,691	266,284	1,296,975	1,210,779	(86,196)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	969,966	(396,960)	573,006	561,763	11,243
General Supplies	17,269	12,390	29,659	20,978	8,681
Textbooks		165	165	165	-
Total instruction	987,235	(384,405)	602,830	582,906	19,924
Support services:					
Salaries of Program Directors		875	875	875	-
Salaries of Other Professional Staff		130,165	130,165	124,295	5,870
Personal Services - Employee Benefits	43,456	178,178	221,634	192,129	29,505
Other Purchased Professional & Technical Services		303,389	303,389	287,923	15,466
Other Purchased Services		13,035	13,035	4,184	8,851
Supplies and Materials		25,047	25,047	18,467	6,580
Total support services	43,456	650,689	694,145	627,873	66,272
Total Expenditures	1,030,691	266,284	1,296,975	1,210,779	86,196
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2014

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
<hr/>			
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1],[C-2]	16,507,777	1,210,779
Difference - budget to GAAP:			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		439,220	16,799
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(471,840)	(16,799)
<hr/>			
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	16,475,157	1,210,779
<hr/>			
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	15,886,942	1,210,779
<hr/>			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	15,886,942	1,210,779
<hr/>			

SPECIAL REVENUE FUND

TOWN OF GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1a)	Title I Improving Basic Programs	Title I Improving Basic Programs Carryover	Preschool Education Aid	Totals 2014
REVENUES					
State Sources	457			161,842	162,299
Federal Sources	346,963	635,520	65,997		1,048,480
Total Revenues	347,420	635,520	65,997	161,842	1,210,779
EXPENDITURES:					
Instruction:					
Salaries of Teachers	139,285	318,340	2,777	101,361	561,763
General Supplies	9,210			11,768	20,978
Textbooks	165				165
Total instruction	148,660	318,340	2,777	113,129	582,906
Support Services:					
Salaries of Program Directors	-	875			875
Salaries of Other Professional Staff	124,295				124,295
Personal Services - Employee Benefits	63,999	79,417		48,713	192,129
Purchased Professional & Technical Services	4,000	220,703	63,220		287,923
Other Purchased Services	4,184				4,184
Supplies and Materials	2,282	16,185			18,467
Total support services	198,760	317,180	63,220	48,713	627,873
Total Expenditures	347,420	635,520	65,997	161,842	1,210,779
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1b)	Title II, Part A Teacher & Principal Training & Recruiting Carryover	Title II, Part A Teacher & Principal Training & Recruiting Carryover	Title III Immigrant Carryover	Total Carried Forward
REVENUES					
State Sources	457				457
Federal Sources	281,332	57,048	4,224	4,359	346,963
Total Revenues	281,789	57,048	4,224	4,359	347,420
EXPENDITURES:					
Instruction:					
Salaries of Teachers	86,067	44,635	4,224	4,359	139,285
General Supplies	9,210				9,210
Textbooks	165				165
Total instruction	95,442	44,635	4,224	4,359	148,660
Support services:					
Salaries of Program Directors	-				-
Salaries of Other Professional Staff	124,295				124,295
Personal Services - Employee Benefits	51,586	12,413			63,999
Purchased Professional & Technical Services	4,000				4,000
Other Purchased Services	4,184				4,184
Supplies and Materials	2,282				2,282
Total support services	186,347	12,413	-	-	198,760
Total Expenditures	281,789	57,048	4,224	4,359	347,420
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1c)	Title III, English Language Acq. and Language Enhancement	Title III, English Language Acq. and Language Enhancement Carryover	IDEA Part B, Basic	Total Carried Forward
REVENUES					
State Sources	457				457
Federal Sources	14,396	26,663	24	240,249	281,332
Total Revenues	14,853	26,663	24	240,249	281,789
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	25,832		60,235	86,067
General Supplies	3,769			5,441	9,210
Textbooks	165				165
Total instruction	3,934	25,832	-	65,676	95,442
Support services:					
Salaries of Program Directors	-				-
Salaries of Other Professional Staff	-			124,295	124,295
Personal Services - Employee Benefits	6,687	831		44,068	51,586
Purchased Professional & Technical Services	4,000				4,000
Other Purchased Services	-			4,184	4,184
Supplies and Materials	232		24	2,026	2,282
Total support services	10,919	831	24	174,573	186,347
Total Expenditures	14,853	26,663	24	240,249	281,789
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	IDEA Part B, Basic Carryover	I.D.E.A. Preschool	I.D.E.A. Preschool Carryover	Non-Public Textbooks	Total Carried Forward
REVENUES					
State Sources	2,441	7,709	4,246	165	457
Federal Sources					14,396
Total Revenues	2,441	7,709	4,246	165	14,853
EXPENDITURES:					
Instruction:					
Salaries of Teachers		3,709			-
General Supplies				165	3,769
Textbooks					165
Total instruction	0	3,709	-	165	3,934
Support services:					
Salaries of Program Directors					-
Salaries of Other Professional Staff					-
Personal Services - Employee Benefits	2,441	4,000	4,246		6,687
Purchased Professional & Technical Services					4,000
Other Purchased Services					-
Supplies and Materials					232
Total support services	2,441	4,000	4,246	-	10,919
Total Expenditures	2,441	7,709	4,246	165	14,853
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

For the Fiscal Year Ended June 30, 2014

	Non-Public Technology	Non-Public Nursing	Total Carried Forward
REVENUES			
State Sources	60	232	292
Federal Sources		-	-
Total Revenues	60	232	292
EXPENDITURES:			
Instruction:			
Salaries of Teachers		-	-
General Supplies	60	-	60
Textbooks		-	-
Total instruction	60	-	60
Support services:			
Salaries of Program Directors		-	-
Salaries of Other Professional Staff		-	-
Personal Services - Employee Benefits		-	-
Purchased Professional & Technical Services		-	-
Other Purchased Services		-	-
Supplies and Materials		232	232
Total support services	-	232	232
Facilities acquisition and const. serv.:			
Instructional Equipment		-	-
Non-Instructional Equipment		-	-
Total facilities acquisition and const. serv.	-	-	-
Total Expenditures	60	232	292
Excess (Deficiency) of Revenues Over (Under)			
Expenditures and Other Financing Sources (Uses)	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year ended June 30, 2014

		Total	
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 101,361	101,361	
General Supplies	19,129	11,768	7,361
Total instruction	120,490	113,129	7,361
SUPPORT SERVICES:			
Personal services - employee benefits	49,768	48,713	1,055
Total support services	49,768	48,713	1,055
Total expenditures	\$ 170,258	161,842	8,416

Calculation of Budget and Carryover

Total Revised 2013-14 Preschool Education Aid Allocation	\$ 167,994
Add: Actual ECPA/PEA Carryover (June 30, 2013)	44,722
Add: Budgeted transfer from General Fund 2013-2014	
Total Preschool Education Aid Funds Available for 2013-2014 Budget	212,716
Less: 2013-14 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	170,258
Add: Prior year accounts payable cancelled	5,840
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2014	48,298
Add: June 30, 2014 Unexpended Preschool Education Aid	8,416
Less: 2013-14 Commissioner-approved Transfer to the General Fund	
2013-14 Carryover - Preschool Education Aid Programs	56,714
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15	

PROPRIETARY FUNDS

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2014

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	
	<u>Food Service Program</u>	<u>Building Maintenance</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	145,100	142,027	287,127
Accounts receivable:			
State	891		891
Federal	27,583		27,583
Inventories	1,857		1,857
Total current assets	<u>175,431</u>	<u>142,027</u>	<u>317,458</u>
Noncurrent assets:			
Capital assets:			
Equipment	92,038		92,038
Less accumulated depreciation	<u>(70,610)</u>		<u>(70,610)</u>
Total capital assets (net of accumulated depreciation)	<u>21,428</u>		<u>21,428</u>
Total assets	<u>196,859</u>	<u>142,027</u>	<u>338,886</u>
LIABILITIES			
Current liabilities:			
Accounts payable	24,768		24,768
Interfund payable			
Total current liabilities	<u>24,768</u>		<u>24,768</u>
Total liabilities	<u>24,768</u>		<u>24,768</u>
NET POSITION			
Net investment in capital assets	21,428		21,428
Restricted contributed capital	32,055		32,055
Unrestricted	118,608	142,027	260,635
Total net position	<u>172,091</u>	<u>142,027</u>	<u>314,118</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION

Combining Statement of Net Position

Enterprise Funds

June 30, 2014

	Enterprise Fund	Internal Service Fund	
	Food Service Program	Building Maintenance	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	145,100	142,027	287,127
Accounts receivable:			
State	891		891
Federal	27,583		27,583
Inventories	1,857		1,857
Total current assets	175,431	142,027	317,458
Noncurrent assets:			
Capital assets:			
Equipment	92,038		92,038
Less accumulated depreciation	(70,610)		(70,610)
Total capital assets (net of accumulated depreciation)	21,428		21,428
Total assets	196,859	142,027	338,886
LIABILITIES			
Current liabilities:			
Accounts payable	24,768		24,768
Total current liabilities	24,768		24,768
Total liabilities	24,768		24,768
NET POSITION			
Net investment in capital assets	21,428		21,428
Restricted contributed capital	32,055		32,055
Unrestricted	118,608	142,027	260,635
Total net position	172,091	142,027	314,118

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	Enterprise Funds		Internal Service Fund	
	Food Service Program	School Age Child Care	Building Maintenance	Totals
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	37,681			37,681
Daily sales - non-reimbursable programs	11,403			11,403
Total operating revenues	<u>49,084</u>	<u>-</u>	<u>-</u>	<u>49,084</u>
Operating expenses:				
Cost of sales	159,850			159,850
Salaries	186,133			186,133
Supplies and materials	15,090			15,090
Cleaning, repair and maintenance	865			865
Miscellaneous	4,391			4,391
Employee benefits	27,982			27,982
Purchased property services	14,328			14,328
Depreciation	6,133			6,133
Total Operating Expenses	<u>414,772</u>	<u>-</u>	<u>-</u>	<u>414,772</u>
Operating income (loss)	<u>(365,688)</u>	<u>-</u>	<u>-</u>	<u>(365,688)</u>
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,690			6,690
Federal sources:				
National school lunch program	316,590			316,590
National school breakfast program	15,023			15,023
Food distribution program	35,120			35,120
Interest and investment revenue (expense)			(268)	(268)
Total nonoperating revenues (expenses)	<u>373,423</u>	<u>-</u>	<u>(268)</u>	<u>373,155</u>
Income (loss) before contributions & transfers	<u>7,735</u>	<u>-</u>	<u>(268)</u>	<u>7,467</u>
Transfers in (out)		18,612		-
Change in net position	<u>7,735</u>	<u>18,612</u>	<u>(268)</u>	<u>7,467</u>
Total net position—beginning, restated	<u>164,356</u>	<u>(18,612)</u>	<u>142,295</u>	<u>288,039</u>
Total net position—ending	<u>172,091</u>	<u>-</u>	<u>142,027</u>	<u>295,506</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	Enterprise Funds		Internal Service Funds	
	Food Service Program	School Age Child Care	Building Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	49,084			49,084
Payments to Outside Food Service Management Company	(281,427)			(281,427)
Payments to employees	(63,575)			(63,575)
Payments for cleaning, repair and maintenance	(865)			(865)
Payments for supplies	(1,602)	-		(1,602)
Net cash provided by (used for) operating activities	(298,385)	-	-	(298,385)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	6,635			6,635
Federal Sources	329,155			329,155
Operating subsidies and transfers to other funds		18,612		18,612
Due to General Fund		(1,811)		(1,811)
Net cash provided by (used for) non-capital financing activities	335,790	16,801	-	352,591
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends			(268)	(268)
Net cash provided by (used for) investing activities	-	-	(268)	(268)
Net increase (decrease) in cash and cash equivalents	37,405	16,801	(268)	53,938
Balances—beginning of year	107,695	(16,801)	142,295	233,189
Balances—end of year	145,100	-	142,027	287,127
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss) provided by:	(365,688)	-	-	(365,688)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	6,133			6,133
Food Distribution Program	35,120			35,120
(Increase) decrease in inventories	1,282			1,282
Increase (decrease) in accounts payable	24,768			24,768
Total adjustments	67,303	-	-	67,303
Net cash provided by (used for) operating activities	(298,385)	-	-	(298,385)

FIDUCIARY FUND

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	16,903	137,597
Deposits		7,688
Total assets	<u>16,903</u>	<u>145,285</u>
LIABILITIES		
Payable to student groups		23,029
Payroll deductions and withholdings		85,091
Net salaries and wages		1,827
Interfund Payable - General Fund		35,338
Total liabilities		<u>145,285</u>
NET POSITION		
Held in trust for unemployment claims and other purposes		
Reserved for Scholarships	<u>16,903</u>	

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Contributions:		
Prior Year Void Check		100
Total Contributions	-	100
DEDUCTIONS		
Account closed to General Fund	15,307	
Scholarship payments		1,100
Total deductions	15,307	1,100
Change in net position	(15,307)	(1,000)
Net position—beginning of the year	15,307	17,903
Net position—end of the year	-	16,903

GUTTENBERG BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2014

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2014</u>
Anna L. Klein School:				
Anna L. Klein School Funds	4,115	150	300	3,965
Anna L. Klein Student Activity	2,093	22,550	9,173	15,470
Graduating Class Fund	1,976	6,604	5,511	3,069
Student Council Account	615	1	145	471
Anna L. Klein Yearbook Account	30	1,584	1,560	54
	<u>8,829</u>	<u>30,889</u>	<u>16,689</u>	<u>23,029</u>

GUTTENBERG BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
Net Payroll	(13,585)	4,879,194	4,863,782	1,827
Flexible Spending Account	1,609	10,533	12,142	-
Payroll Deductions and Withholdings	66,720	3,482,481	3,464,110	85,091
Interfund - General Fund	(17,842)	58,095	4,915	35,338
	<u>36,902</u>	<u>8,430,303</u>	<u>8,344,949</u>	<u>122,256</u>

LONG-TERM DEBT

TOWN OF GUTTENBERG BOARD OF EDUCATION
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2014

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2013	Retired	Balance June 30, 2014
School Improvement Bonds, Repair to Boiler and Removal of Asbestos at the Anna L. Klein School	7/1/1994	3,399,000	7/1/2014	240,000	5.625%	719,000	240,000	479,000
			7/1/2015	239,000				
						<u>719,000</u>	<u>240,000</u>	<u>479,000</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	256,003		256,003	256,003	
State Sources:					
Debt Service Aid Type II	17,689		17,689	17,689	
Total - State Sources	17,689		17,689	17,689	
Total Revenues	273,692		273,692	273,692	
EXPENDITURES:					
Regular Debt Service:					
Interest	33,694		33,694	33,694	
Redemption of Principal	240,000		240,000	240,000	
Total Regular Debt Service	273,694		273,694	273,694	
Total expenditures	273,694		273,694	273,694	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2)		(2)	(2)	
Other Financing Sources:					
Operating Transfers In:					
Transfer from General Fund				1	1
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2)		(2)	(1)	1
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	(1)		(1)		1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(1)		(1)	(1)	

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

Guttenberg Board of Education
Net Position by Component
Last Ten Fiscal Years
Guttenberg Board of Education

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 369,644	\$ 412,692	\$ 669,146	\$ 811,156	\$ 1,766,011	\$ 1,832,059	\$ 1,898,763	\$ 1,945,793	\$ 2,199,143	\$ 2,336,568
Restricted	209,977	1,243,578	2,067,515	2,647,751	2,032,942	366,442	685,195	1,864,012	2,764,389	3,172,592
Unrestricted	(691,986)	(897,173)	(872,488)	(650,857)	(1,209,549)	(1,265,856)	(1,169,914)	(1,049,890)	(1,052,562)	(1,174,387)
Total governmental activities net position	\$ (112,365)	\$ 759,097	\$ 1,864,173	\$ 2,808,050	\$ 2,589,404	\$ 932,645	\$ 1,414,044	\$ 2,759,915	\$ 3,910,970	\$ 4,334,773
Business-type activities										
Net investment in capital assets	\$ 8,788	\$ 18,259	\$ 15,150	\$ 13,793	\$ 48,541	\$ 45,418	\$ 47,171	\$ 59,732	\$ 59,720	\$ 21,428
Restricted	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055
Unrestricted	297,123	96,898	123,246	149,915	182,632	178,068	106,241	44,334	86,128	118,608
Total business-type activities net position	\$ 337,966	\$ 147,212	\$ 170,451	\$ 193,763	\$ 263,228	\$ 255,541	\$ 185,467	\$ 136,121	\$ 177,903	\$ 172,091
District-wide										
Net investment in capital assets	\$ 378,432	\$ 430,951	\$ 684,296	\$ 824,949	\$ 1,814,552	\$ 1,877,477	\$ 1,945,934	\$ 2,005,525	\$ 2,258,863	\$ 2,357,996
Restricted	242,032	1,275,633	2,099,570	2,679,806	2,064,997	398,497	717,250	1,896,067	2,796,444	3,204,647
Unrestricted	(394,863)	(800,275)	(749,242)	(500,942)	(1,026,917)	(1,087,788)	(1,063,673)	(1,005,556)	(966,434)	(1,035,779)
Total district net position	\$ 225,601	\$ 906,309	\$ 2,034,624	\$ 3,003,813	\$ 2,852,632	\$ 1,188,186	\$ 1,599,511	\$ 2,896,036	\$ 4,088,873	\$ 4,506,864

Source: CAFR Schedule A-1

Guttenberg Board of Education
Changes in Net Position, Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,949,708	\$ 4,193,069	\$ 3,337,367	\$ 3,664,023	\$ 5,657,989	\$ 4,963,409	\$ 4,325,879	\$ 4,600,926	\$ 4,639,636	\$ 4,844,899
Special education	203,995	208,407	253,558	253,348	314,041	812,324	426,616	454,719	695,252	674,274
Other special education	231,755	234,861	239,112	319,123	346,089	959,974	511,494	1,074,001	905,956	653,184
Other instruction	35,101	900	-	-	-	-	14,403	90,344	47,221	51,488
Support Services:										
Tuition	3,854,474	3,334,832	4,511,287	4,343,405	4,157,153	4,955,575	5,637,035	4,601,239	4,498,710	4,974,817
Student & instruction related services	1,149,447	1,401,793	1,366,602	1,443,084	2,025,191	1,999,616	1,756,452	1,519,420	1,879,036	2,440,489
General administrative services	413,920	392,392	433,121	509,133	468,842	476,171	487,660	452,274	342,949	456,959
School administrative services	365,054	359,521	378,524	420,927	428,315	393,283	446,212	340,190	408,945	155,128
Central Services	253,896	239,808	255,022	306,517	293,891	276,933	282,501	324,412	365,375	418,985
Business administrative services	-	12,612	24,083	-	-	-	-	-	-	-
Administrative Information Technology	63,566	67,162	81,554	123,062	102,974	151,511	66,802	110,509	133,214	123,858
Plant operations and maintenance	411,264	444,423	625,195	721,227	701,187	741,515	541,852	747,347	816,015	876,366
Pupil transportation	422,072	362,164	314,737	303,173	319,188	365,479	356,367	243,864	197,769	171,554
Business and other support services	-	-	-	48,910	-	-	-	-	-	-
Unallocated Benefits	373,319	455,933	755,989	828,046	753,592	642,428	879,746	789,850	995,799	1,117,086
Special Schools	3,192	2,828	3,105	2,733	3,791	4,000	-	-	-	-
Charter Schools	1,962	-	37,079	-	-	-	-	-	-	-
Debt Service:										
Interest and other charges	124,818	114,694	104,568	94,444	84,318	74,195	62,944	51,871	40,444	26,944
Unallocated depreciation	120,781	116,461	104,746	96,063	121,763	148,131	157,242	160,970	158,990	224,737
Capital Outlay - nondepreciable	8,251	1,809	7,205	7,984	142,407	30,305	-	-	134,792	49,602
Total governmental activities expenses	<u>11,986,575</u>	<u>11,943,689</u>	<u>12,832,854</u>	<u>13,485,202</u>	<u>15,920,731</u>	<u>16,994,849</u>	<u>15,973,205</u>	<u>15,561,936</u>	<u>16,260,103</u>	<u>17,260,370</u>

Guttenberg Board of Education
Changes in Net Position, Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Food service	427,322	455,909	213,181	241,264	290,486	372,780	439,701	467,576	429,824	414,772
Child Care	46,467	47,026	49,584	50,633	40,803	15,535	-	-	-	-
Total business-type activities expense	473,789	502,935	262,765	291,897	331,289	388,315	439,701	467,576	429,824	414,772
Total district expenses	<u>\$ 12,460,364</u>	<u>\$ 12,446,624</u>	<u>\$ 13,095,619</u>	<u>\$ 13,777,099</u>	<u>\$ 16,252,020</u>	<u>\$ 17,383,164</u>	<u>\$ 16,412,906</u>	<u>\$ 16,029,512</u>	<u>\$ 16,689,927</u>	<u>\$ 17,675,142</u>
Program Revenues										
Governmental activities:										
Charges for services:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction (tuition)	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	67,261	60,042	9,036	543	-	-	-	-	-	-
Operating grants and contributions	2,142,826	2,238,361	2,185,420	2,149,863	1,904,460	1,759,823	1,913,398	1,395,186	1,362,151	1,210,779
Capital grants and contributions	-	-	-	-	-	1,759,823	1,913,398	1,395,186	-	-
Total governmental activities program revenues	<u>2,210,087</u>	<u>2,298,403</u>	<u>2,194,456</u>	<u>2,150,406</u>	<u>1,904,460</u>	<u>1,759,823</u>	<u>1,913,398</u>	<u>1,395,186</u>	<u>1,362,151</u>	<u>1,210,779</u>
Business-type activities:										
Charges for services										
Food service	33,789	27,475	29,834	24,153	29,539	39,492	27,499	54,767	48,867	49,084
Child care	52,257	46,817	36,290	38,759	27,700	9,235	-	-	-	-
Operating grants and contributions	216,245	226,186	219,880	250,091	341,515	331,901	342,128	363,463	422,739	373,423
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>302,291</u>	<u>300,478</u>	<u>286,004</u>	<u>313,003</u>	<u>398,754</u>	<u>380,628</u>	<u>369,627</u>	<u>418,230</u>	<u>471,606</u>	<u>422,507</u>
Total district program revenues	<u>\$ 2,512,378</u>	<u>\$ 2,598,881</u>	<u>\$ 2,480,460</u>	<u>\$ 2,463,409</u>	<u>\$ 2,303,214</u>	<u>\$ 2,140,451</u>	<u>\$ 2,283,025</u>	<u>\$ 1,813,416</u>	<u>\$ 1,833,757</u>	<u>\$ 1,633,286</u>
Net (Expense)/Revenue										
Governmental activities	\$ (9,776,488)	\$ (9,645,286)	\$ (10,638,398)	\$ (11,334,796)	\$ (14,016,271)	\$ (15,235,026)	\$ (14,059,807)	\$ (14,166,750)	\$ (14,897,952)	\$ (16,049,591)
Business-type activities	(171,498)	(202,457)	23,239	21,106	67,465	(7,687)	(70,074)	(49,346)	41,782	7,735
Total district-wide net expense	<u>\$ (9,947,986)</u>	<u>\$ (9,847,743)</u>	<u>\$ (10,615,159)</u>	<u>\$ (11,313,690)</u>	<u>\$ (13,948,806)</u>	<u>\$ (15,242,713)</u>	<u>\$ (14,129,881)</u>	<u>\$ (14,216,096)</u>	<u>\$ (14,856,170)</u>	<u>\$ (16,041,856)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,428,245	\$ 7,320,154	\$ 8,191,499	\$ 8,519,159	\$ 8,519,159	\$ 8,702,159	\$ 9,351,794	\$ 9,930,572	\$ 10,254,523	\$ 10,459,613
Taxes levied for debt service	286,318	276,963	267,607	258,252	248,899	239,544	251,211	240,688	230,165	256,003
Unrestricted grants and contributions	2,803,914	2,878,017	3,151,124	3,361,901	4,939,293	4,616,634	4,914,341	5,224,401	5,628,388	5,908,220
Investment earnings	86	4,360	6,765	4,022	2,268	232	29	-	-	-
Miscellaneous income	44,278	57,745	126,479	135,339	88,006	19,698	23,831	116,960	36,402	125,013
Other Financing sources (uses)	-	-	-	-	-	-	-	-	(100,471)	(218,269)
Total governmental activities	<u>9,562,841</u>	<u>10,537,239</u>	<u>11,743,474</u>	<u>12,278,673</u>	<u>13,797,625</u>	<u>13,578,267</u>	<u>14,541,206</u>	<u>15,512,621</u>	<u>16,049,007</u>	<u>16,530,580</u>

Guttenberg Board of Education
Changes in Net Position, Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Other financing sources (uses)	-	-	-	4,206	-	-	-	-	-	18,612
Total business-type activities	\$ 9,562,841	\$ 10,537,239	\$ 11,743,474	\$ 12,282,879	\$ 13,797,625	\$ 13,578,267	\$ 14,541,206	\$ 15,512,621	\$ 16,049,007	\$ 16,549,192
Change in Net Position										
Governmental activities	\$ (213,647)	\$ 891,953	\$ 1,105,076	\$ 943,877	\$ (218,646)	\$ (1,656,759)	\$ 481,399	\$ 1,345,871	\$ 1,151,055	\$ 480,989
Business-type activities	(171,498)	(202,457)	23,239	25,312	67,465	(7,687)	(70,074)	(49,346)	41,782	26,347
Total district	\$ (385,145)	\$ 689,496	\$ 1,128,315	\$ 969,189	\$ (151,181)	\$ (1,664,446)	\$ 411,325	\$ 1,296,525	\$ 1,192,837	\$ 507,336

Source: CAFR Schedule A-2

Guttenberg Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 105,683	\$ 1,092,072	\$ 1,919,325	\$ 2,647,751	\$ 1,937,973	\$ 224,666				
Unreserved	363,854	143,365	179,615	205,499	(115,896)	(151,653)	360,985	1,450,393	2,567,075	3,015,474
Restricted							162,052	334,701	55,018	-
Committed							20,353	-	-	15,093
Assigned							10,210	(71,539)	(133,496)	(172,025)
Unassigned										
Total general fund	<u>\$ 469,537</u>	<u>\$ 1,235,437</u>	<u>\$ 2,098,940</u>	<u>\$ 2,853,250</u>	<u>\$ 1,822,077</u>	<u>\$ 73,013</u>	<u>\$ 553,600</u>	<u>\$ 1,713,555</u>	<u>\$ 2,488,597</u>	<u>\$ 2,858,542</u>
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund		(2,342)					(4,404)	(834)		
Capital projects fund										
Debt service fund	2	2	1		1		1	1	1	
Permanent fund										
Total all other governmental funds	<u>\$ 2</u>	<u>\$ (2,340)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (4,403)</u>	<u>\$ (833)</u>	<u>\$ 1</u>	<u>\$ -</u>

Source: CAFR Schedule B-1

Guttenberg Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	\$ 6,714,563	\$ 7,597,117	\$ 8,459,106	\$ 8,777,411	\$ 8,768,058	\$ 8,941,703	\$ 9,603,005	\$ 10,171,260	\$ 10,484,688	\$ 10,715,616
Interest earnings	10,255									
Miscellaneous	34,023	57,745	126,479	135,339	89,671	19,698	23,831	116,960	35,734	125,013
State sources	3,928,123	4,065,477	4,334,335	4,786,899	5,370,519	4,136,944	5,118,772	5,348,167	5,757,126	6,051,094
Federal sources	1,018,617	1,050,901	1,002,209	724,865	1,473,234	2,239,513	1,708,967	1,418,881	1,233,413	1,067,905
Total revenue	11,705,581	12,771,240	13,922,129	14,424,514	15,701,482	15,337,858	16,454,575	17,055,268	17,510,961	17,959,628
Expenditures										
Instruction										
Regular instruction	3,970,747	4,213,458	3,337,367	3,705,254	5,657,989	4,963,409	4,323,879	4,600,926	4,659,724	4,864,941
Special education instruction	203,995	208,407	253,558	253,348	314,041	812,324	426,616	454,719	695,252	674,274
Other special instruction	231,755	234,861	239,112	319,123	346,089	959,974	511,494	1,074,001	905,956	653,184
Other instruction	35,101	900					14,403	90,344	47,221	51,488
Support Services:										
Tuition	3,854,474	3,334,832	4,511,287	4,343,405	4,157,153	4,955,575	5,657,035	4,601,239	4,498,710	4,974,817
Health Services										
Student & instruction related services	1,149,447	1,401,793	1,366,602	1,443,084	2,025,191	1,999,616	1,756,452	1,519,420	1,879,036	2,440,489
General administrative services	413,920	392,392	433,121	509,133	468,842	476,171	487,660	340,190	342,949	456,959
School Administrative services	365,054	359,521	378,524	420,927	428,315	393,283	446,212	452,274	408,945	155,128
Business and other support services		12,612	24,083	48,910	20,389					
Central administrative services	253,896	239,808	255,022	306,517	293,891	276,933	282,501	324,412	365,375	418,985
Administrative Information Technology	63,566	67,162	81,554	123,062	102,974	151,511	66,802	110,509	133,214	123,858
Plant operations and maintenance	387,084	427,233	606,079	717,927	692,799	741,389	541,852	747,347	816,015	876,366
Pupil transportation	422,072	362,164	314,737	303,173	319,188	365,479	356,367	243,864	197,769	171,554
Unallocated employee benefits							160,278	118,261	98,802	110,521
Allocated Benefits										
On-behalf contributions	376,408	448,146	737,019	828,046	593,597	663,516	652,326	819,021	992,445	896,207
Special Schools	3,192	2,828	3,105	2,733	3,791	4,000				
Charter Schools	1,962		37,079							
Capital outlay	8,251	1,809	188,405	66,057	1,039,025	64,484	23,946	137,897	347,132	228,950
Debt service:										
Principal	180,000	180,000	180,000	180,000	180,000	180,000	200,000	200,000	200,000	240,000
Interest and other charges	129,881	119,756	109,631	99,506	89,381	79,257	68,569	57,319	46,069	33,694
Total expenditures	12,050,805	12,007,682	13,056,285	13,670,205	16,732,655	17,086,921	15,978,392	15,891,743	16,634,614	17,371,415
Excess (Deficiency) of revenues over (under) expenditures	(345,224)	763,558	865,844	754,309	(1,031,173)	(1,749,063)	476,183	1,163,525	876,347	588,213

Guttenberg Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing sources (uses)										
Cancellation of prior year grants receivable										(199,657)
To fund prior year uncollectible receivables-										(199,657)
No Child Left Behind Entitlements										(1)
Transfers Out-Debt Service Fund										199,658
Transfers in										(18,612)
Transfers Out-School Age Child Care									(100,471)	
Repayment of NCLB grant monies									(100,471)	(218,269)
Total other financing sources (uses)										
Net change in fund balances	\$ (345,224)	\$ 763,558	\$ 865,844	\$ 754,309	\$ (1,031,173)	\$ (1,749,063)	\$ 476,183	\$ 1,163,525	\$ 775,876	\$ 369,944
Debt service as a percentage of noncapital expenditures	2.6%	2.5%	2.3%	2.1%	1.7%	1.5%	1.7%	1.6%	1.5%	1.6%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

Source: CAFR Schedule B-2

Guttenberg Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Guttenberg Board of Education

Fiscal Year Ended June 30,	Interest on Investments	Close out of SACC & Unemployment Trust Accounts		Insurance Dividends	Refunds	Reimb - bursement	P/Y Payables Cancelled/ Void Checks	Misc.	Total
		Tuition Refunds							
2005	10,255	9,216			6,418	483	13,089	4,817	44,278
2006	37,989	7,095					2,484	10,177	57,745
2007	57,484	21,516		13,966	7,681	4,167		21,665	126,479
2008	80,299					11,414	33,328	10,298	135,339
2009	1,665						60,555	27,451	89,671
2010		11,252						8,446	19,698
2011					7,908	6,712		9,211	23,831
2012	3,494				8,976			104,490	116,960
2013	2,526				9,723			23,485	35,734
2014		19,713	15,926		3,809	3,593	61,928	20,044	125,013

Source: District Records

Guttenberg Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Guttenberg Board of Education

Year Ended Dec. 31,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities "	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	Assessed to Estimated Full Cash Valuation
2005	\$ 1,703,600	\$ 316,786,500		\$ 59,048,100	\$ 15,033,500	\$ 34,558,400	\$ 427,130,100	\$ 22,064,900	\$ 204,584	\$ 405,269,784	1.760	\$ 869,236,719	46.62%
2006	\$ 1,908,100	\$ 317,730,700		\$ 59,347,100	\$ 13,844,800	\$ 34,747,700	\$ 427,588,400	\$ 22,069,900	\$ 163,175	\$ 405,683,675	1.980	\$ 1,061,731,929	38.21%
2007	\$ 3,218,800	\$ 319,510,000		\$ 37,033,600	\$ 13,082,300	\$ 34,747,700	\$ 407,592,400	\$ 22,430,100	\$ 135,014	\$ 385,297,314	2.114	\$ 1,149,766,996	33.51%
2008	\$ 3,772,700	\$ 315,777,100		\$ 35,359,800	\$ 12,337,300	\$ 34,667,700	\$ 401,914,600	\$ 22,088,400	\$ 129,833	\$ 379,956,033	2.142	\$ 1,148,280,253	33.09%
2009	\$ 3,607,400	\$ 316,015,400		\$ 35,711,800	\$ 11,886,500	\$ 34,617,700	\$ 401,838,800	\$ 22,343,400	\$ 134,945	\$ 379,630,345	2.307	\$ 1,122,174,533	33.83%
2010	\$ 3,607,400	\$ 316,015,400		\$ 35,711,800	\$ 11,886,500	\$ 34,617,700	\$ 401,838,800	\$ 22,343,400	\$ 134,945	\$ 379,630,345	2.307	\$ 1,015,905,420	37.37%
2011*	\$ 1,448,600	\$ 604,155,600		\$ 82,134,100	\$ 24,697,500	\$ 88,982,000	\$ 801,417,800	\$ 50,671,500	\$ 678,118	\$ 751,424,418	1.233	\$ 933,101,387	80.53%
2012	\$ 1,828,600	\$ 604,283,300		\$ 82,503,700	\$ 24,010,300	\$ 88,336,200	\$ 800,962,100	\$ 50,856,600	\$ 282,432	\$ 749,523,068	1.289	\$ 901,534,092	83.14%
2013	\$ 2,023,700	\$ 601,790,100		\$ 81,764,300	\$ 21,413,100	\$ 91,551,200	\$ 798,542,400	\$ 51,089,100	\$ 466,808	\$ 746,986,492	1.307	\$ 876,260,572	85.25%
2014	\$ 2,398,700	\$ 600,470,300		\$ 80,894,200	\$ 21,282,100	\$ 90,677,700	\$ 795,723,000	\$ 51,089,100	\$ 617,530	\$ 800,942,308	1.358	\$ 904,717,609	88.53%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

* - Revaluation conducted

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Exhibit J-7

Guttenberg Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Guttenberg Board of Education

Fiscal Year Ended June 30,	Guttenberg Board of Education		Overlapping Rates			Total Direct and Overlapping Tax Rate
	General		Town of Guttenberg	Hudson County	REAP Deduction	
	Basic Rate ^a	Obligation Debt Service ^b				
2005	1.721	0.039	1.760	0.990	(0.250)	4.420
2006	1.946	0.034	1.980	1.000	(0.250)	4.850
2007	1.949	0.032	1.981	0.996	(0.250)	4.851
2008	2.049	0.065	2.114	1.083	(0.183)	5.211
2009	2.078	0.064	2.142	1.088	(0.133)	5.667
2010	2.245	0.062	2.307	1.142	0.000	6.152
2011	1.193	0.040	1.233	0.522	0.000	3.279
2012	1.260	0.029	1.289	0.606	0.000	3.448
2013	1.285	0.022	1.307	0.615	0.000	3.483
2014	1.337	0.021	1.358	0.599	0.000	3.540

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

**Guttenberg Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2014				2005			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Summit House	\$ 25,400,000	1	3.17%		\$ 10,968,000	1	2.71%	
Palisades Operations LLC	5,445,800	2	0.68%		2,866,200	3	0.71%	
422-30 68th Street	4,840,000	3	0.60%					
6803 Boulevard East LLC	4,068,900	4	0.51%		1,818,800	4	0.45%	
AM 68th Street. LLC	2,690,500	5	0.34%					
Guttenberg Savings and Loan	2,177,000	6	0.27%		1,087,500	5	0.27%	
AL-2 Properties Corporation	2,138,600	7	0.27%		979,100	6	0.24%	
63-67 69th St. Assoc. LLC	1,884,500	8	0.24%		850,000	8	0.21%	
Lagattuta Partners, L.P.	1,614,400	9	0.20%		752,000	9	0.19%	
JAB Realty	1,360,000	10	0.17%					
The Mall at the Galaxy					6,250,000	2	1.54%	
Transctl Gas Pipe Line Corp					733,100	10	0.18%	
J and N Kinkella					863,400	7	0.21%	
Total	\$ 51,619,700		6.44%		\$ 27,168,100		6.71%	
Net Assessed Valuation:	800,942,308				405,269,784			

Source: Municipal Tax Assessor.

Exhibit J-9

**Guttenberg Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years**

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$6,714,563	\$ 6,714,563	100.00%	
2006	\$7,597,117	\$ 7,597,117	100.00%	
2007	\$8,459,106	\$ 8,459,106	100.00%	
2008	\$8,777,411	\$ 8,777,411	100.00%	
2009	\$8,768,058	\$ 8,768,058	100.00%	
2010	\$9,272,354	\$ 9,190,207	99.11%	\$ 82,147
2011	\$9,603,005	\$ 9,566,608	99.62%	\$ 36,397
2012	\$10,171,259	\$ 10,171,259	100.00%	
2013	\$10,484,688	\$ 10,484,688	100.00%	
2014	\$10,715,616	\$ 10,715,616	100.00%	

Source: Municipal Tax Collector

Guttenberg Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Business-Type Activities			
				Capital Leases	Total District		
2005	2,534,585	-	-	-	2,534,585	0.72%	78
2006	2,334,196	-	-	-	2,334,196	0.64%	68
2007	2,133,807	-	-	-	2,133,807	0.55%	58
2008	1,933,418	-	-	-	1,933,418	0.47%	49
2009	1,733,029	-	-	-	1,733,029	0.38%	40
2010	1,553,029	-	-	-	1,553,029	0.32%	36
2011	1,312,251	-	-	-	1,312,251	0.26%	29
2012	1,091,862	-	-	-	1,091,862	0.20%	23
2013	871,774	-	-	-	871,774	0.15%	17
2014	611,732	-	-	-	611,732	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Guttenberg Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	2,239,000	-	\$ 2,239,000	0.55%	78
2006	2,039,000	-	\$ 2,039,000	0.50%	68
2007	1,859,000	-	\$ 1,859,000	0.48%	58
2008	1,679,000	-	\$ 1,679,000	0.44%	49
2009	1,499,000	-	\$ 1,499,000	0.39%	40
2010	1,319,000	-	\$ 1,319,000	0.35%	36
2011	1,119,000	-	\$ 1,119,000	0.15%	29
2012	919,000	-	\$ 919,000	0.12%	23
2013	719,000	-	\$ 719,000	0.10%	17
2014	479,000	-	\$ 479,000	0.06%	Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit J-6 for property tax data.

^b Population data can be found in Exhibit J-13.

**Guttenberg Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2014**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2014		\$ 479,000
Net overlapping debt of School District:		
Guttenberg Town	\$ 22,426,146	
County of Hudson (3.614% of net debt)	\$ 18,940,079	
Subtotal, overlapping debt	<u>\$ 41,366,225</u>	
Total direct and overlapping debt		<u><u>\$ 41,845,225</u></u>

Sources: Hudson County Treasurer's Office (2013 Abstract of Ratables & Annual Debt Stmt)

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Guttenberg. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**Guttenberg Board of Education
Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized valuation basis											
	2014	\$	904,717,609								
	2013	\$	876,260,572								
	2012	\$	901,534,092								
	[A]	\$	2,682,512,273								
Average equalized valuation of taxable property											
	[A/3]	\$	894,170,758								
Debt limit (3 % of average equalization value)											
	[B]		26,825,123	a							
Net bonded school debt											
	[C]		479,000								
Legal debt margin											
	[B-C]		26,346,123								

Source: Abstract of Rates and District Records CAFR Schedule J-7

^a Limit set by NUSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Guttenberg Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income (thousands of dollars)	Per Capita Personal Income ^c	Unemployment Rate ^d
2005	10,750	349,665,250	32,527	4.20%
2006	10,551	363,081,012	34,412	4.60%
2007	10,440	386,029,440	36,976	4.00%
2008	10,464	412,773,408	39,447	5.40%
2009	10,600	454,570,400	42,884	9.70%
2010	11,189	479,157,736	42,824	9.90%
2011	11,299	507,618,874	44,926	10.10%
2012	11,356	538,013,212	47,377	10.50%
2013	11,429	571,827,157	50,033	8.60%
2014	Not Available	Not Available	Not Available	Not Available

Source:^a Population information provided by the NJ Dept of Labor and Workforce Development^b Personal income - Hudson County - provided by NJ Dept of Labor and Workforce Development^c Per Capita Personal Income - Hudson County - provided by NJ Dept of Labor and Workforce Development^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

Guttenberg Board of Education
Principal Employers
Current Year and Nine Years Ago

Employer	2014		2005	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
			Rank (Optional)	

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO
RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO
PRIVACY CONCERNS.

-	0.00%	-	0.00%	

Source: Town of Guttenberg

Guttenberg Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	34.0	34.0	34.0	35.0	35.0	53.0	*	*	59.0	59.0
Special education	8.0	8.0	8.0	8.0	8.0	10.0	*	*	10.0	12.0
Other special education										
Vocational										
Other instruction	2.0	2.0	2.0	2.0	6.0	9.0	*	*	10.0	10.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services	6.5	6.5	6.5	7.0	8.5	12.0	*	*	17.0	18.0
General administrative services	2.0	1.5	1.5	2.0	2.0	3.0	*	*	3.0	3.0
School administrative services	4.0	3.5	3.5	4.0	3.5	4.0	*	*	4.0	4.0
Business administrative services	3.0	3.0	3.0	3.0	3.0	5.0	*	*	3.0	3.0
Plant operations and maintenance	5.0	5.0	5.0	6.0	6.0	6.0	*	*	6.0	6.0
Pupil transportation										
Special Schools										
Food Service										
Child Care										
Total	64.5	63.5	63.5	67.0	72.0	102.0	0.0	0.0	112.0	115.0

* Information Not Provided by District

Source: District Personnel Records

**Guttenberg Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	937.0	11,732,673	12,522	6.22%	76	1:10			937	877	3.65%	93.60%
2006	927.0	11,706,117	12,628	0.85%	76	1:10			924	870	-1.39%	94.16%
2007	942.0	12,578,249	13,353	5.74%	76	1:10			937	891	1.41%	95.09%
2008	959.0	13,333,215	13,903	4.12%	73	1:13			955	910	1.92%	95.29%
2009	909.0	15,424,249	16,968	22.05%	73	1:12			984	925	3.04%	94.00%
2010	980.0	16,763,180	17,105	0.81%	75	1:13			1022.5	965.5	3.91%	94.43%
2011	1,022.0	15,685,877	15,348	-10.27%	*	*			*	*	*	*
2012	1,031.0	15,496,527	15,031	-2.07%	*	*			*	*	*	*
2013	1,010.0	16,041,413	15,883	5.67%	*	*			*	*	*	*
2014	1,024.0	16,868,771	16,473	3.72%	*	*			*	*	*	*

Sources: District records, ASSA and Schedules J-12, J-14

* - Information not provided by District

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay, Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Guttenberg Board of Education
School Building Information
Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>District Buildings</u>										
<u>Elementary</u>										
Anna L. Klein School	86,087	86,087	86,087	86,087	90,087	90,487	90,487	90,487	90,487	90,487
Square Feet	772	772	772	772	872	872	872	872	872	872
Capacity (students)	927	942	942	959	945	982	1,022	1,031	1,010	1,024
Enrollment										

Number of Schools at June 30, 2014

Elementary = 1

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Guttenberg Board of Education
General Fund
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

School Facilities	Project # (s)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Anna L. Klein School	N/A	178,316	137,270	217,797	104,122	133,114	140,003	156,886	136,310	95,016	66,784
Total School Facilities		178,316	137,270	217,797	104,122	133,114	140,003	156,886	136,310	95,016	66,784
Other Facilities											
Grand Total		\$ 178,316	\$ 137,270	\$ 217,797	\$ 104,122	\$ 133,114	\$ 140,003	\$ 156,886	\$ 136,310	\$ 95,016	\$ 66,784

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**Guttenberg Board of Education
Insurance Schedule
June 30, 2014**

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Building and Contents (All Locations)	250,000,000	\$ 2,500
General Liability	5,000,000	
Automobile Liability	5,000,000	
School Board Legal Liability	5,000,000	
Employers Liability	5,000,000	
Workers' Compensation	5,000,000	
Employee Theft	500,000	1,000
ACE Scholastic Advantage (1)		
Educators Legal Liability Policy	5,000,000	
Pollution Liability Insurance Policy	1,000,000	
Student Accident Insurance (1)	1,000,000	
Surety Bonds (2)		
Board Secretary/Business Administrator	250,000	N/A
Superintendent	100,000	N/A

(1) School Alliance Insurance Fund

(2) Travelers Casualty and Surety Company of America

SINGLE AUDIT SECTION

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable President and
Members of the Board of Education
Town of Guttenberg School District
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Town of Guttenberg School District, in the County of Hudson, New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Town of Guttenberg Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Guttenberg Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Guttenberg Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Town of Guttenberg Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Town of Guttenberg School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated October 31, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

October 31, 2014



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Town of Guttenberg School District
County of Hudson, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Town of Guttenberg School District in the County of Hudson, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Town of Guttenberg Board of Education's major federal and state programs for the year ended June 30, 2014. The Town of Guttenberg Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Guttenberg Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct



and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Town of Guttenberg Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Town of Guttenberg Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Town of Guttenberg Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Town of Guttenberg Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Guttenberg Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Guttenberg Board of Education's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, and which are described in the accompanying schedule of findings and questioned costs as items 2014-1 through 2014-4.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the Town of Guttenberg Board of Education as of and for the year ended June 30, 2014, and have issued our report there dated October 31, 2014 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.


Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

October 31, 2014



**TOWN OF GUTTENBERG
BOARD OF EDUCATION**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled/ Adjustment	Cancellation of Prior Year A/R	(Accounts Receivable) at June 30, 2014	Deferred Revenue at June 30, 2014
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
USDA Commodities Program	10.550		7/1/13-6/30/14	\$ 35,120			35,120	35,120				
National School Lunch Program	10.555		7/1/12-6/30/13	321,209	(19,794)		19,794					
National School Lunch Program	10.555		7/1/13-6/30/14	316,590			290,406	316,590			(26,184)	
National School Breakfast Program	10.553		7/1/13-6/30/13	14,679	(922)		922					
National School Breakfast Program	10.553		7/1/13-6/30/14	15,023			13,624	15,023			(1,399)	
Fresh Fruit and Vegetable Program	10.582		7/1/13-6/30/13	48,724	(4,409)		4,409					
Total Enterprise Fund					(25,125)		364,275	366,733			(27,583)	
U.S. Department of Health and Human Services												
General Fund:												
Medical Assistance Program (SEMI)	93.778		7/1/13-6/30/14	19,425			19,425	19,425				
Total General Fund							19,425	19,425				
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I, Improving Basic Programs	84.010A	NCLB185014	7/1/13-6/30/14	685,644		(486,516)	912,859	701,517	5,626	(199,657)	(69,891)	
Title I, Improving Basic Programs	84.010A	NCLB185013	9/1/12-8/31/13	736,012	(486,516)	486,516						
Title II, Part A - Teacher/Principal Training and Recruiting	84.367	NCLB185014	7/1/13-6/30/14	62,743		(32,963)	104,022	61,272	(4,092)			5,695
Title II, Part A - Teacher/Principal Training and Recruiting	84.367	NCLB185013	9/1/12-8/31/13	63,316	(32,963)	32,963						
Title III - English Language Acquisition and Language Enhancement	84.365	NCLB185014	7/1/13-6/30/14	27,808		(35,139)	70,270	26,687				8,444
Title III - English Language Acquisition and Language Enhancement	84.365	NCLB185013	9/1/12-8/31/13	29,765	(35,139)	35,139						
Title III - Immigrant	84.365	NCLB185013	9/1/12-8/31/13	16,148	(11,789)		11,713	4,359			(4,435)	
I.D.E.A. Part B, Basic Regular	84.027A	IDEA185014	7/1/13-6/30/14	259,703		(85,098)	244,119	242,690			(83,669)	
I.D.E.A. Part B, Basic Regular	84.027A	IDEA185013	9/1/12-8/31/13	262,606	(85,098)	85,098						
I.D.E.A. Part B, Preschool	84.173	IDEA185014	7/1/13-6/30/14	9,070	(5,430)	5,430	8,074	11,955			(9,311)	
I.D.E.A. Part B, Preschool	84.173	IDEA185013	9/1/12-8/31/13	9,677	(5,430)							
Total Special Revenue Fund					(656,935)		1,351,057	1,048,480	1,534	(199,657)	(167,306)	14,139
Total Federal Financial Assistance					(682,060)		1,734,757	1,434,638	1,534	(199,657)	(194,889)	14,139

See accompanying notes to schedules of expenditures of federal and state awards.

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of State Awards

Year ended June 30, 2014

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2013			Balance at June 30, 2014				MEMO				
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	3,594,240 \$				3,255,568	3,594,240					*	(338,672)	3,594,240
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	807,468				731,383	807,468					*	(76,085)	807,468
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	7,250				6,567	7,250					*	(683)	7,250
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	197,684				179,057	197,684					*	(18,627)	197,684
Under Adequacy Aid	14-495-034-5120-083	7/1/13-6/30/14	400,877				363,104	400,877					*	(37,773)	400,877
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	25,028	(25,028)			25,028						*		25,028
TPAF - Post Retirement Medical Contribution	14-495-034-5095-001	7/1/13-6/30/14	321,132				321,132	321,132					*		321,132
TPAF - Non-contributory Insurance	14-495-034-5095-007	7/1/13-6/30/14	15,886				15,886	15,886					*		15,886
TPAF - Pension Contribution	14-495-034-5095-006	7/1/13-6/30/14	179,971				179,971	179,971					*		179,971
Reimbursed TPAF Social Security	14-495-034-5095-002	7/1/13-6/30/14	379,218				360,095	379,218			(19,123)		*		379,218
Reimbursed TPAF Social Security	13-495-034-5095-002	7/1/12-6/30/13	361,421	(18,461)			18,461				(19,123)		*	(471,840)	361,421
Total General Fund				(43,489)			5,456,252	5,903,726			(19,123)		*		6,290,175
Special Revenue Fund:															
Preschool Education Aid	14-495-034-5120-086	7/1/13-6/30/14	167,994			29,262	166,655	161,842	5,840			39,915	*	(16,799)	161,842
Preschool Education Aid	13-495-034-5120-086	7/1/12-6/30/13	154,598	29,262		(29,262)							*		152,334
Non-Public Nursing Aid	14-100-034-5120-070	7/1/13-6/30/14	232				232	232					*		232
Non-Public Nursing Aid	13-100-034-5120-070	7/1/12-6/30/13	440				440			440			*		
Non-Public Technology Aid	14-100-034-5120-373	7/1/13-6/30/14	60				60	60					*		60
Non-Public Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	165				165	165					*		165
Total Special Revenue Fund				29,262			167,552	162,299	5,840			39,915	*	(16,799)	314,633
Debt Service Fund:															
Debt Service Aid Type II	14-495-034-5120-017	7/1/13-6/30/14	17,689				17,689	17,689					*		17,689
State Department of Agriculture															
Enterprise Fund:															
State Share:													*		
National School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	6,690				5,799	6,690			(891)		*		6,690
National School Lunch Program	13-100-010-3350-023	7/1/12-6/30/13	6,977	(836)			836				(891)		*		6,977
Total State Financial Assistance			\$	(15,063)			5,630,439	6,090,404	5,840		(20,014)	39,915	*	(488,639)	6,636,164

See accompanying notes to schedules of expenditures for federal and state awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Town of Guttenberg School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(32,620) for the general fund and \$-0- for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$19,425	\$5,871,106	\$5,890,531
Special Revenue Fund	1,048,480	162,299	1,210,779
Debt Service Fund		17,689	17,689
Food Service Fund	<u>366,733</u>	<u>6,690</u>	<u>373,423</u>
Total Awards and Financial	<u>\$1,434,638</u>	<u>\$6,057,784</u>	<u>\$7,492,422</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$516,989 of on-behalf payments is excluded from major program determination.

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are
not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial
statements noted? yes X no

Federal Awards

Internal Control over major programs:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are not
considered to be material weaknesses? X yes none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported
in accordance with section .510(a) of Circular A-133? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>N.C.L.B. Title I - Improving Basic Programs</u>
<u>10.555, 10.553</u>	<u>Child Nutrition Cluster: National School Lunch/Breakfast Program</u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

*Section I - Summary of Auditor's Results
(continued)*

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are
not considered to be material weaknesses? X yes none reported

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular Letter 04-04? X yes no

GMIS Number(s)

Name of State Program

14-495-034-5120-078
14-495-034-5120-089
14-495-034-5120-084
14-495-034-5120-002

State Aid Public Cluster:
Equalization Aid
Special Education Categorical Aid
Security Aid
Reimbursed TPAF Social Security

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section II – Financial Statement Findings

None

GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

Finding 2014-1:

Information on the federal program:

Title I Part A, Improving Basic Programs, CFDA No. 84.010A, Grant Period 9/1/12-8/31/13.

Criteria or specific requirement:

OMB Circular A-87 states that a cost is allocable to a particular cost objective if the goods and services are chargeable or assignable to such cost objective in accordance with the relative benefit received.

Condition:

The District failed to maintain documentation to show that all payroll costs benefited the Title I Part A program.

Questioned costs:

Unknown.

Context:

The District failed to maintain accurate time activity reports for individuals which were charged to the Title I Part A grant.

Effect:

By not preparing accurate documentation to demonstrate that individuals being charged to the grant are allocable to a particular cost objective, the District is not in compliance with Title I Part A grant requirements.

Cause:

Compliance with the guidelines of the grant award requires the District to maintain documentation to show that all payroll costs benefited the Title I Part A program.

Management's response:

The District has appointed a new coordinator for the Title I Part A grant who will have the appropriate training and availability to sufficiently monitor all grant requirements

**GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

***Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)***

Finding 2014-2:

Information on the federal program:

Title I Part A, Improving Basic Programs number NCLB185014 Grant Period 7/1/13-6/30/14.

Criteria or specific requirement:

According to the NCLB New Jersey Consolidated Formula Subgrant Fiscal Year 2014 Reference Manual (FY2014 NCLB Reference Manual), in accordance with N.J.S.A. 18A:66-90, all districts budgeting federal grant funds for salaries of full and part-time staff who participate in the Teacher's Pension and Annuity Fund (TPAF) must include the proper proportion of Pension and FICA contributions in the federal grant budget.

Condition:

The District recorded an accounts payable against Title I employee benefits that was in excess of that required, based on the liability calculation performed at year end, to reimburse the State for its share of FICA taxes and pension contributions paid on federally funded programs.

Questioned costs:

N/A

Context:

Per the FY2014 NCLB Reference Manual all TPAF, FICA and other fringe benefits must be budgeted in proportion to the allocated federal salary.

Effect:

By budgeting and requesting the improper amount of TPAF and FICA contributions the District is not in compliance with the Title I Part A grant requirements.

Cause:

Compliance with the guidelines of the grant award requires the proper amount of TPAF and FICA contributions to be budgeted and reimbursed.

Management's response:

Management has reviewed this finding and determined that the funds will be deobligated in fiscal year 2015.

GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)*

Finding 2014-3:

Information on the federal program:

Title I Part A, Improving Basic Programs number NCLB185014 Grant Period 7/1/13-6/30/14.

Criteria or specific requirement:

OMB Circular A-87 requires that no severance costs be allocated to a federal grant award.

Condition:

The District used federal grant funds to pay a retiree for accumulated sick and vacation time at his time of retirement.

Questioned costs:

None.

Context:

The District used federal grant funds to pay a retiree for accumulated sick and vacation time.

Effect:

By using federal grant funds to pay a retiree for accumulated sick and vacation time, the District is not in compliance with Title I Part A grant requirements.

Cause:

Grant guidelines stipulate that federal grant awards are not to be utilized for severance costs. The District failed to review the guidelines prior to payment of a retiree's accumulated sick and vacation.

Management's response:

Management has reviewed this finding and indicated corrective action will be taken.

GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)*

STATE AWARDS

None

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Status of Prior Year Findings:

Finding 2013-1:

Condition:

The District's capital asset appraisal firm conducted a complete recount of the Board of Education's fixed asset inventory as of June 30, 2013; however, the report has not been delivered due to printing delays experienced by the appraisal company.

Current Status:

Resolved

Finding 2013-2:

Condition:

The District incurred \$112,136 of administrative costs against Title I, Part A grant during the fiscal year. This amount exceeds the allowable administrative costs of \$36,801 (5% of \$736,021) by \$75,335.

Current Status:

Resolved

Finding 2013-3:

Condition:

The District did not approve all Title I Part A employees and their salaries and funding percentages through board resolution as grant funded salaries.

Current Status:

Resolved

Finding 2013-4:

Condition:

The District failed to accurate time activity reports for individuals which were charged to the Title I Part A Grant.

Current Status:

Unresolved; see Finding 2014-1

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Finding 2013-5:

Condition:

The District has not properly submitted budget amendments nor recorded expenditures accurately through the State's Electronic Web-Enabled Grant System.

Current Status:

Resolved

Finding 2013-6

Condition:

The Board Secretary did not prepare and submit Annual Reports to the board and county superintendent by August 1.

Current Status:

Resolved

Finding 2013-7

Condition:

All school districts shall implement a number of efficiency standards including taking steps to maximize the District's participation in the Federal Universal Services Program (E-Rate).

Current Status:

Resolved

Finding 2013-8:

Condition:

The District did not establish a maximum travel expenditure amount for the budget year by Board resolution.

Current Status:

Resolved

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Finding 2013-9

Condition:

The District incurred significant bank service charges that were recorded as an offset to miscellaneous revenues.

Current Status:

Resolved